Review of social housing rents

Options for a revised social housing rents policy

Minister for Housing
January 2026

R.5/2026

Ministerial Foreword

One of the fundamental purposes of social housing is to provide good-quality affordable housing for those in our community who are otherwise unable to afford to rent or purchase their homes. When delivering on this purpose, it is essential to ensure that social housing is indeed affordable, and households should not be placed under undue financial strain or experience rental stress when meeting their social housing costs.

I have been clear that one of my intentions is for social housing to be a tenure of choice for Islanders. I have expanded the eligibility for social housing, allowing more Islanders to benefit from this and help resolve our Island's housing crisis. Whilst developing these opportunities, it is vital that social housing is truly affordable for tenants.

I am grateful to Deputy Kovacs for raising concerns over rental stress in social housing to the attention of the Assembly through the lodging of P.29/2025. This has provided the opportunity to develop a greater understanding of affordability challenges faced by those in social housing, prompting us to examine in detail the relevant statistical information and surrounding policies and processes currently in place. The Reform of Social Housing took place over a decade ago, so it is timely to review the social rents policy and associated policies and provisions, to ensure that these are appropriate and continue to serve and support households in social housing.

Successful social housing provision requires affordable and good-quality secure homes for tenants, a sustainable business model that enables social housing providers to continue this delivery, and Government to ensure that public funds are spent supporting those in need, whilst facilitating a fair and efficient use of social housing stock.

This review has investigated and appraised the inherent tensions that can surround the delivery of these core requirements. It has explored the complexities around measuring housing affordability, how the market-based rents model interacts with Income Support benefits to assist low-income households with their housing costs, and the challenges for social housing providers with the sustainable delivery of good-quality social housing stock. Attention has also been given to alternative social housing models, and the different approaches to the discount and subsidy systems that underpin affordability and sustainability in other jurisdictions.

Building on this analysis, a set of critically assessed options have been drawn out to help inform the States Assembly of any future decisions relating to the sustainable provision of social housing and ensuring affordability for tenants. Finally, as Minister for Housing I have set out a series of key priorities and actions that I intend to initiate before the completion of this Government term to set the social rents policy on a surer footing for the future.

Deputy Sam Mezéc
Minister for Housing

Contents

Executive Summary

This report presents the findings of a review of Jersey's social housing rents policy and related Income Support policies, including potential options for a revised social housing rental, in response to Deputy R.S. Kovacs' proposition, *Social Rents Plan to Reduce Rental Stress for Tenants* (P.29/2025)[1] as amended.

The work has been carried out in collaboration with the Minister for Social Security and the Minister for Treasury and Resources, and informed by engagement with social housing providers. The overarching focus of the review has been to ensure that social housing remains affordable for tenants whilst supporting the long-term financial sustainability of social housing provision and public finances.

The review finds that Jersey's existing market-based rental model – where rents are set at up to 80% of market value and affordability is supported through the housing component of Income Support – has been broadly effective in providing good-quality homes for low-income households and maintaining the financial stability of social housing providers. However, a number of challenges and unintended consequences have emerged since the implementation of this rental structure, including:

- inconsistencies between rent levels for older and newer tenancies;
- reduced incentives for tenants to right-size;
- increasing operational cost pressures on social housing providers; and
- areas where rental processes and Income Support could be more effectively aligned.

In considering how best to respond to the issues identified, five policy options were developed and assessed against six Critical Success Factors relating to affordability, financial sustainability, feasibility, public benefit and equity. The five options are:

1. Maintain the current social housing rental model (no change)

- Preserve the current rents policy, where rents are set at up to 80% of market value and supported by existing Income Support policies.

2. Amendments to the current social housing rental model (minor change)

- Introduce targeted adjustments to the current rents policy and related Income Support policies to address issues and unintended consequences identified in the review.

3. Reduce rents to an alternative market-based level, e.g. 70% (medium change)

- Lower rents to a revised market-based benchmark (e.g., 70% of market value) to improve affordability for tenants.

4. Increase rents to an alternative market-based level, e.g. 90% (medium change)

- Increase rents to a revised market-based benchmark (e.g., 90% of market value) to support the long-term financial sustainability of social housing providers.

5. Adopt an income-based social housing rental model (major change)

---

[1] *Social Rents Plan to Reduce Rental Stress for Tenants* (P.29/2025), Deputy R.S. Kovacs, April 2025: https://statesassembly.je/getmedia/71c5f9a4-3a98-4a5f-a6af-ce2e151a2472/P-29-2025.pdf?ext=.pdf

- Transition away from a market-based to an income-based rental model, as proposed in P.29/2025, with the aim of aligning rents more closely with household income to improve affordability for tenants.

The review concludes that large-scale structural reforms, such as adopting an income-based rental model, would create significant administrative complexity and financial uncertainty, with limited additional benefit when the current role of Income Support in supporting eligible low-income households is taken into account.

Overall, the review finds that targeted amendments to the current rents policy (Policy Option 2) represent the most effective and proportionate way forward. This approach preserves the core structure of the existing rental model and supports refinements to the rents policy and related Income Support policies as evidenced through the review.

These amendments would create a fairer rental structure for tenants, strengthen the long-term financial sustainability of social housing providers and promote the efficient use of the housing stock. Importantly, they ensure that eligible households continue to have their full rent recognised by Income Support.

The Minister for Housing will focus on three key priority areas to deliver this approach:

1. **Strengthening policy** – improving rent-setting and adjustment processes, addressing rent drift and achieving fairer alignment of rents across tenancies.

2. **Operational effectiveness** – improving coordination between social housing providers and Government, including the alignment of Income Support payment cycles and rental processes, and addressing financial pressures at the beginning of new tenancies

3. **Communication and monitoring** – providing clear information to tenants and maintaining ongoing monitoring of affordability, policy impacts and the financial position of the social housing sector.

Together, these priorities enable the Minister for Housing to introduce targeted, near-term improvements to the current rents policy within the remainder of the political term, and provide evidence for the States Assembly to consider potential longer-term changes to the rental model.

Introduction

Context of the review

This report presents the findings and recommendations from a review of social housing rents. The review was undertaken in response to Deputy R.S. Kovacs' proposition, *Social Rents Plan to Reduce Rental Stress for Tenants* (P.29/2025), as amended, which was adopted by the States Assembly on 14 May 2025.

With Deputy Kovacs' agreement, the Minister for Housing brought an amendment to the proposition[2] (P.29/2019 Amd.), which committed to assessing options for a revised social housing rents policy in consultation with the Minister for Social Security and the Minister for Treasury and Resources. The review was to be completed and presented to the States Assembly by January 2026.

In adopting the proposition, the Assembly expressed its support for the principle that social housing rents and related Income Support policies should not place tenants in *rental stress*. The Minister endorsed this principle, emphasising that both social housing and private sector rents must be fair, affordable and not create financial pressure for tenants.

This position reflects the Council of Ministers' commitment in the *Common Strategic Policy 2024-2026*[3] to review the rents policy and ensure that Islanders have access to affordable homes.

The Minister acknowledges that any changes to the social housing rental model must be carefully considered to ensure they improve affordability for tenants, without creating financial uncertainty for social housing providers or placing unsustainable pressure on public finances.

The review aims to inform future decisions on the rents policy. It will enable Ministers to consider targeted, near-term improvements to the design and delivery of both the rents policy and Income Support policies where required. It will also support the Assembly's longer-term consideration of potential alternative rental models.

Scope of the review

The scope of the review is guided by the principle in P.29/2025, as amended, that social housing rents and related Income Support policies should not place tenants in rental stress.

The review focuses on developing options for a revised social housing rents policy. This is supported by a structured appraisal of the current rents policy and Income Support policies, and the wider context in which they operate. The appraisal includes:

- analysis of social housing provision in Jersey and the policies that underpin it;
- assessment of relevant concepts such as *housing affordability* and *rental stress*;
- examination of the current rents policy, its interaction with Income Support, and its impact on affordability for tenants;
- the operation of the current rents policy from the perspective of social housing providers; and
- approaches to social housing rents used in other jurisdictions.

[2]*Social Rents Plan to Reduce Rental Stress for Tenants: Amendment* (P.29/2025 Amd.), Minister for Housing, May 2025: https://statesassembly.je/getmedia/a15eaf9c-46ec-40d0-b270-57a2359636b7/P29-2025-Amd.pdf?ext=.pdf

[3]*Common Strategic Policy* (P.21/2024 as amended and approved by the States Assembly), Council of Ministers, May 2024: https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/Common%20Strategic%20Policy%202024%20to%202026.pdf

Key insights from the appraisal are presented in the first part of this report and explored in more detail in a series of accompanying thematic papers.

The second part of the report outlines policy options for alternative social housing rental models. Each option has been assessed against a set of Critical Success Factors (CSFs) developed from key themes identified during the initial appraisal. This assessment considers the potential strengths, limitations and associated risks of each option to inform future decisions regarding the rents policy and Income Support policies.

The broad scope of this review is intended to provide Ministers and the States Assembly with a wide-ranging and detailed appraisal of the existing social housing rental model and a clear assessment of potential alternatives.

Approach to methodology

The review followed a structured, multi-stage approach to provide a comprehensive assessment of options for a revised social housing rents policy. The key elements of the review were:

Affordability measures
Examine the concept and measurement of *housing affordability*, including *rental stress*, and assessing their relevance in Jersey.

Social housing rental model
Assess whether the existing market-based rental model and Income Support system may place tenants under financial pressure.

Policy design and delivery
Identify improvements to the social housing rents policy and Income Support policies, including to address any unintended consequences.

Policy appropriateness
Evaluate whether the rents policy and Income Support policies remain appropriate for setting rents and assisting tenants with housing costs, when considered against potential alternative options.

The review was supported by the following activities:

- **Literature review**: Analysis of policy and research literature on housing affordability, including international best practice and relevant academic studies, to establish a conceptual basis of housing affordability and relevant measures for examination within the review.

- **Contextual analysis**: Review of policy documents relating to affordable housing, social housing rents and Income Support.

- **Data examination**: Analysis of statistical data on housing affordability in Jersey, including income distribution and affordability measures.

- **Engagement with stakeholders**: Written submissions from social housing providers and one-to-one meetings with government officials to capture operational perspectives.

- **Policy workshop**: A structured workshop with stakeholders to examine the current rents policy and related Income Support policies, and to explore alternative social housing rental models.

This approach brought together rigorous conceptual and policy analysis, an extensive evidence base and insights from stakeholders. It ensured the findings of the review were based on strong research and practical experience of the rents policy, providing a balanced and well-informed basis for future decisions.

Overview of social housing in Jersey

This section reviews the structure of social housing, the policy framework that governs it and the political decisions that have shaped its development.

Social housing in Jersey has traditionally provided homes for lower-income households, with eligibility determined by factors such as age, income and household composition. Over time, the model has evolved from one focused solely on supporting lower-income households towards a broader approach that meets a wider-range of housing needs in Jersey.

Jersey's social housing stock currently comprises approximately 6,400 homes. Of these, more than 5,000 homes are owned and managed by Andium Homes, with the remainder provided by independent Housing Trusts – Clos de Paradis Housing Trust, F.B. Cottages Housing Trust, The Jersey Homes Trust and Les Vaux Housing Trust.

The social housing rents policy

The current social housing rents policy is a key component of social housing provision in Jersey. It underpins how social housing providers set and adjust rents within a market-based rental model.

Although rent adjustment policies differ between Andium Homes and the Housing Trusts, the core principles of the policy are:

- Rents for new tenancies set at up to 80% of market value.
- Social housing providers may charge below 80% of market value at their discretion.
- Existing rents may increase gradually to reach 80% of market value.
- Where rents for existing tenancies exceed 80% of market value, they must be frozen at their current level until they become equal to or less than 80% of market value.
- Rent increases should be limited to no more than once per year in line with the terms of a tenancy.
- Social housing providers may freeze or reduce rents if they choose to do so.

Andium Homes is subject to the *Annual Rent Adjustment Policy*[4] set by the Minister for Housing. The policy permits Andium Homes to apply an annual rent increase to tenancies based on the September RPI figure +0.75%. The policy permits annual rent increases within a range of 2.5% and 4.0%, subject to the 80% of market value ceiling. This means that the minimum RPI applied is 1.75% +0.75%, and the maximum is RPI 3.25% +0.75%, regardless of whether RPI is below or exceeds these figures.

The Housing Trusts are bound by the rents policy, but they have control over their annual rent adjustments.

This policy is designed to balance affordability for tenants, supported by integration with Income Support policies, with the financial sustainability of social housing providers. It enables social housing providers to deliver housing services, maintain existing stock and fund the development of new homes.

The Reform of Social Housing (P.33/2013)

[4] *Annual Rent Adjustment Policy*, Minister for Housing and Children, November 2018 (MD-H-2018-0021): https://www.gov.je/Government/PlanningPerformance/Pages/MinisterialDecisions.aspx?showreport=yes&docid=A59901B4-8B63-4B65-98F0-20668C6AF1B3

Significant changes to social housing provision were introduced in 2013 through the *Housing Transformation Programme*[5], which was established to reform the structure, funding and governance of social housing. The programme was informed by the 2009 *Review of Social Housing in Jersey*[6] by Professor Christine Whitehead of the Cambridge Centre for Housing and Planning Research and London School of Economics, and subsequent public consultation[7].

Prior to these reforms, the States of Jersey adopted a policy of setting social housing rents for the former Housing Department and housing trusts in relation to fair rent levels. A *fair rent* was not defined in legislation, but it was taken to mean that social housing rents should be set at no more than 90% of market value.

However, in practice, a significant and increasing gap had opened up between fair rent and market rent levels. This was because the Housing Department and the Housing Trusts had not always applied an annual increase to their rents and, even when they had, rents had not been increased at a comparable rate to the private rented sector. Rents were, therefore, too low to sustain the effective management, maintenance and development of social housing.

This approach led to underinvestment in social housing, reduced capacity to build new homes and created a lack of transparency that meant many households received discounted rents regardless of their financial circumstances.

The approval of *The Reform of Social Housing* (P.33/2013)[8] by the States Assembly in May 2013, led to the introduction of a new policy setting social housing rents at up to 90% of market value, alongside the creation of Andium Homes as a wholly States-owned, not for profit housing company, to replace the former Housing Department.

This structure enabled borrowing to finance a major refurbishment programme, ensuring that all Andium Homes properties met the Decent Homes Standard within 10 years, whilst delivering an annual return of around £30 million to the Treasury and Exchequer. The policy also provided financial stability for the Housing Trusts, reducing their reliance on the States of Jersey for interest rates subsidies.

The creation of Andium Homes and the rents policy – initially set at 90% of market value and later reduced to 80% – was designed to provide long-term financial certainty for social housing providers and support their financial viability.

A key accompanying change was the removal of the cap on the housing component of Income Support for social housing rents. This allowed Income Support to recognise the full rent on a social housing property, underpinning affordability for eligible tenants, whilst enabling social housing providers to set rents in line with the agreed policy level.

Adjustments to the social housing rents policy

[5] *Housing Transformation Programme* (R.15/2013), Minister for Housing, March 2013: https://statesassembly.je/getmedia/98e79c12-7c2b-4ab3-9a5f-75d465c31d62/R.015-2013.pdf?ext=.pdf

[6] *Review of Social Housing in Jersey*, Cambridge Centre for Housing and Planning Research, July 2009: https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20ReviewSocialHousing%2020090701%20Cam.pdf

[7] Achieving Decent Homes: An Affordable Housing Framework for the Future, White Paper, Minister for Housing, April 2012: https://www.gov.je/md/MDAttachments/Housing%20and%20Communities/Decisions%20in%202012/mdh20120035sd.pdf

[8] *The Reform of Social Housing* (P.33/2013), Council of Ministers, March 2013: https://statesassembly.je/getmedia/2885fc7d-9654-4707-9053-a291ea9ca0de/P.033-2013%20%20%20The%20Reform%20of%20Social%20Housing%20[CoM]%20INC.CORRIGENDUM.pdf?ext=.pdf

Since its adoption in 2013, the social housing rents policy has undergone several modifications in response to economic conditions, operational experience and evolving government priorities in relation to social housing. These include:

- **Rent adjustment policy (2018)**[9]: Andium Homes deferred its annual rent increase and financial return to Treasury due to high inflation. A revised adjustment policy was introduced in 2019, setting annual increases within a controlled range.

- **COVID-19 measures (2021–2022)**[10]: Andium Homes and Housing Trusts froze rent increases during the pandemic to protect tenants, with Andium extending the freeze into 2022[11].

- **Shift to 80% Market Value (2022)**[12]: Following amendments to the *2022-2025 Government Plan*, the States Assembly reduced the maximum rent level from 90% to 80% of market value. This change aimed to improve affordability for tenants whilst maintaining the financial viability of social housing providers, supported by adjustments to Andium's financial return to government. The new rents policy was formalised in the Minister for Housing and Communities' *Fair Rents Plan*[13].

- **Right-Sizing Policy (2024)**[14]: Recognising that the rents policy applies only to new tenancies, the Minister for Housing introduced measures to encourage tenants to move to appropriately sized homes. The Minister's *Right-sizing policy* sets out the expectation that social housing providers should develop their own approaches to incentivise right-sizing. The policy recommends that social housing providers should, for example, consider maintaining existing rents for right-sizing tenants or introduce gradual rent increases to ease the transition.

These changes reflect efforts to balance affordability for tenants with the financial sustainability of social housing providers, whilst addressing unintended consequences such as reduced incentives for right-sizing.

---

[9] *Annual Rent Adjustment Policy*, Minister for Housing and Children, November 2018 (MD-H-2018-0021): https://www.gov.je/Government/PlanningPerformance/Pages/MinisterialDecisions.aspx?showreport=yes&docid=A59901B4-8B63-4B65-98F0-20668C6AF1B3

[10] *Andium Homes: Deferral of the annual rent adjustment policy* (MD-H-2020-0017), Minister for Children and Housing, November 2020: https://www.gov.je/Government/PlanningPerformance/Pages/MinisterialDecisions.aspx?docid=C5A29622-B7AB-43D6-B914-07200C7C47B7

[11] *Deferral of the Annual Rent Adjustment Policy in 2022* (R.184/2021), Minister for Housing and Communities, December 2021: https://statesassembly.je/getmedia/421a796e-568d-4e9f-97ca-e3c8195bd267/R.184-2021.pdf?ext=.pdf

[12] The reduction of social housing rents to 80% of market value was introduced through an amendment to the *2022-2025 Government Plan* (P.90/2021) by then Senator S.Y. Mézec (P.90/2021 Amd.)[12] and the then Minister for Housing and Communities (P.90/2021 Amd. Amd.).

[13] *Fair Rents Plan*, Minister for Housing, December 2021: https://www.gov.je/SiteCollectionDocuments/Planning%20and%20building/BP%20Fair%20Rents%20Plan.pdf

[14] Right-sizing policy, Minister for Housing, May 2024: https://www.gov.je/SiteCollectionDocuments/Home%20and%20community/Right-sizing%20Policy%20from%20the%20Minister%20for%20Housing.pdf

Evidence on housing affordability

Assessing whether Jersey's social housing rental model meets its intended objectives requires a clear understanding of *housing affordability* and *rental stress*, which are two key considerations in this review.

Defining and measuring housing affordability

In Jersey, the term *affordable housing* has a specific definition embedded in both policy and legislation[15]. It refers to discounted or subsidised housing – delivered through social housing or assisted purchase schemes – designed to support households that cannot afford to rent or buy on the open market. This definition provides a framework for targeting housing assistance and guiding the development of housing policy interventions.

However, whilst *affordable housing* is defined relative to market conditions, it does not fully capture what *affordability* means for individual households. *Housing affordability* relates to the financial relationship between a household and its housing costs. It is inherently complex and often subjective, with no universally agreed standard.

Broadly, housing is considered *affordable* when a household can rent or buy a home suitable for its needs without experiencing undue financial hardship. Conversely, when housing costs leave a household with insufficient income for non-housing costs such as food, heating or other essential needs, this situation becomes *unaffordable*. In these circumstances, a household may experience *housing stress* – or *rental stress* in the case of tenants.

There are several established methods for assessing housing affordability, each with strengths and limitations depending on the housing market and policy context. This review has considered three well-established measures of housing affordability:

- **Housing expenditure-to-income ratio** – provides a broad, population-level perspective by comparing housing costs to household incomes.

- **The residual income approach** – assesses whether income remaining after housing costs is sufficient to meet other essential living expenses.

- **Subjective measures** – based on self-reported perceptions of affordability and housing satisfaction.

These measures should be considered alongside wider economic, social and policy factors to ensure accurate application and meaningful interpretation.

Further detail on each of these measures is provided in the accompanying thematic paper, Evidence on housing affordability. An example of the expenditure-to-income ratio, a commonly used indicator in Jersey, is included below to demonstrate its relevance and highlight the importance of interpreting this measure in context, particularly when assessing the affordability of social housing rents.

[15] Article 4(4) of the Planning and Building (Jersey) Law 2002 includes provision for "*…land to be used to provide residential accommodation, whether it be accommodation for renting or accommodation for purchase, for persons who would otherwise have financial difficulties renting or acquiring residential accommodation in the general market for residential accommodation prevailing in Jersey*". The Minister for Housing's Definition of Affordable Housing in Jersey (2021) further defines affordable housing as "*Residential accommodation for renting or for purchase by persons who would other otherwise have financial difficulties renting or acquiring residential accommodation in the general market*".

Housing expenditure-to-income ratio

The housing expenditure-to-income ratio measures the proportion of household income spent on housing costs across different housing tenures and income groups. It helps identify households that may be more vulnerable to financial pressure as a result of housing costs. This ratio is a widely used ‘rule of thumb’ for assessing affordability, with housing generally considered *unaffordable* if a household spends more than 30% of its gross income on housing.

The *Jersey Household Income Distribution*[16] applies this measure to assess affordability across different tenures. **Figure 1** shows the proportion of equivalised gross household income spent on housing by tenure for 2009-2010, 2014-2015 and 2021-2022.

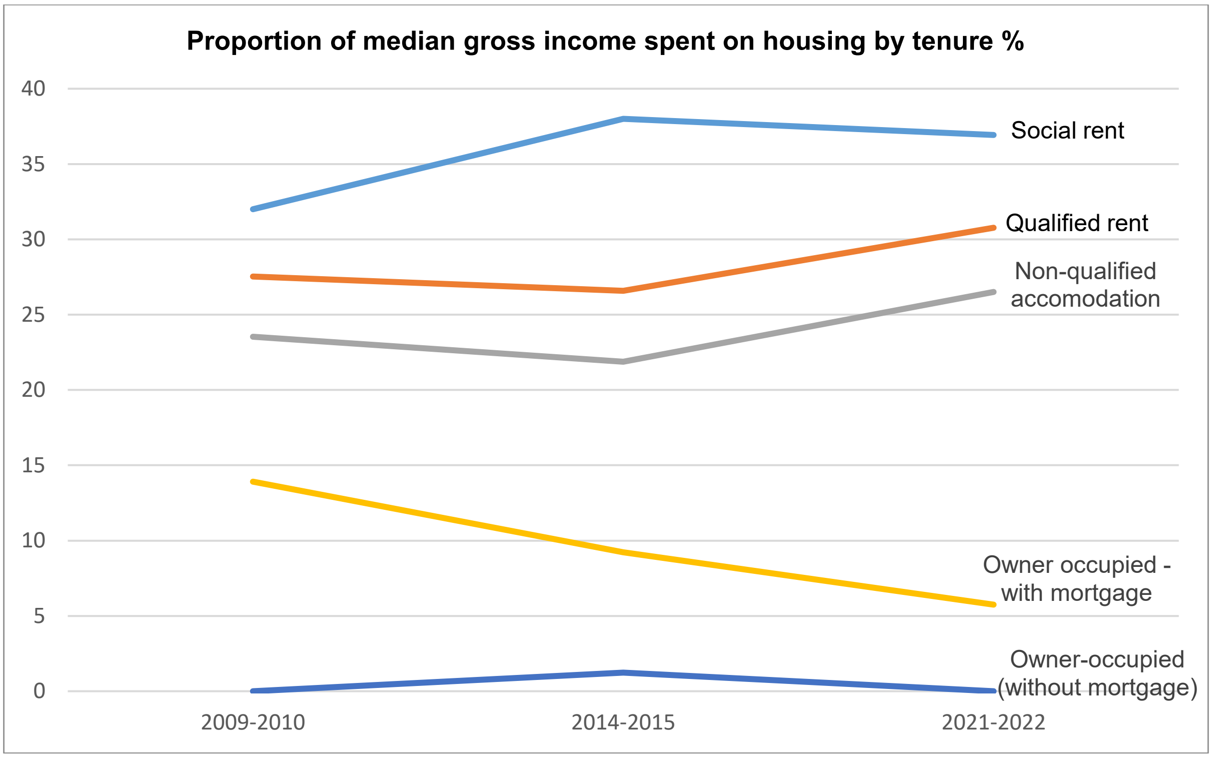

Figure 1 – Proportion of gross income spent on housing by tenure (%) (Source: Statistics Jersey)

Key findings include:

- Households living in social housing spent the highest proportion of their income on housing, over 35% of income during the periods 2014-2015 and 2021-2022.
- Households living in qualified and non-qualified private rental accommodation have seen their proportions spent on housing increase over time, with those in qualified rental tenures spending just over 30% of their income on housing during the period 2021-2022.
- Homeowners with mortgages[17] have seen a decline in the share of income spent on housing over time.

[16] Government of Jersey Open Data (2022) *Household income distribution survey*. https://opendata.gov.je/dataset/income-distribution-survey

[17] *Owner-occupied with mortgage* **does not include** capital repayments on their property. Statistically, this is considered to be repaying an asset rather than meeting housing costs, and the housing costs associated with this category reflect the **interest repayments on the mortgage**.

- Owner-occupiers without mortgages continue to spend a consistently low proportion of their income on housing costs.

Policy context and affordability measures

It is important to note that the household gross income reflected in the ratio measurements shown in Figure 1 includes benefits. Without recognising this, expenditure-to-income ratios can imply an overstatement of *rental stress* for these households. A large share of household gross income can be spent on housing costs; however, this gross income includes the benefit provided by the housing component which, for social housing tenants eligible for Income Support, recognises the whole of the rent charged by a social housing provider.

For these tenants, higher rents result in higher benefit payments. For example, if rent accounts for 30% of a household's gross income, the housing component will also represent 30%, ensuring affordability for eligible tenants. If the rent increases to 40% of gross income, the housing component rises proportionally to cover the higher cost.

Whilst this means that a larger share of gross household income appears to be spent on rent, the increase is offset by a corresponding rise in Income Support benefits. A higher proportion of gross income allocated to rent for households eligible for Income Support does not indicate greater rental stress, as the housing component is structured to reflect the rent charged and maintain affordability.

This interaction also suggests that the social housing rents policy and related Income Support policies are working as intended, providing below-market, subsidised rents for low-income households.

Accordingly, expenditure-to-income ratios provide a useful high-level view of housing affordability by illustrating how housing costs relate to household incomes. However, these measures have limitations; they do not fully capture the composition of household income and expenditure or the effects of policy interventions such as Income Support.

Lower-income households, particularly those living in private rental accommodation or social housing, are more likely to experience wider financial pressures. These pressures are shaped by household income relative to wider cost-of-living challenges. Housing affordability measures should, therefore, be interpreted cautiously and within the context of policies and eligibility criteria that influence both income and expenditure.

The Income Support system

The Income Support system provides a unified, means-tested framework to help low-income households in Jersey meet essential living costs.

Payments are calculated by comparing a household's income and assets against its assessed needs. If income falls short of these needs, Income Support can provide a payment to bridge the gap and ensure that the household has sufficient income to cover basic living expenses.

The housing component

A key element of the Income Support is the housing component, which provides targeted financial assistance to help eligible households meet their housing costs.

Following the approval of P.33/2013, the cap that previously limited payments of the housing component was removed. This change allowed Income Support to include the full rent for a social housing property when calculating a household's entitlement. As a result, Andium Homes and the Housing Trusts were able to set rents at 90% of market value, and now 80% of market value.

The uncapped housing component ensures that the full rent for social housing tenants is reflected in Income Support calculations, maintaining affordability for eligible households.

The effect on affordability measurements

Although social housing tenants may appear to spend a high proportion of their gross income on rent, sometimes over 30%, this does not necessarily indicate *rental stress*. Income Support adjusts entitlement to reflect actual rent costs, effectively offsetting the financial pressure implied by income-to-rent ratio affordability measures.

In practice, higher rents result in higher housing component payments. For social housing tenants, this adjustment is uncapped, meaning the full rent amount is always included in Income Support calculations. For example, if rent rises by £10, the housing component increases by £10, leaving a household's residual income unchanged. As rent increases, the housing component rises proportionally, increasing a household's overall entitlement and maintaining remaining income to meet non-housing costs.

A higher rent appears as a larger share of income, suggesting greater rental stress, even though the household's actual financial position remains unchanged. As the housing component adjusts to match rent, the impact on the household is neutral.

A more accurate approach is to assess the income available to a household after housing costs are met.

Case study

The following case study highlights how the housing component of Income Support works in practice.

Lucy lives in social housing and pays £220 per week on rent. This is 27% of her gross income, totalling £818,77 per week, which includes £220 of housing component amongst her other

Income Support components. Once Lucy's rent has been paid, she has £598.77 left over each week, which is 73% of her weekly gross income. As Lucy is paying 27% of her gross income on rent, which is below 30%, the rent-to-income calculation indicates that she is not experiencing *rental stress*.

Lucy's income (gross) and expenditure per week	
Housing component = £220 (27%)	Non-housing related Income Support and other income = £598.77 (73%)
Rent = £220 (27%)	Non-housing expenditure = £598.77 (73%)

Figure 2 – Lucy's income and expenditure

Lucy moves into a new social housing property and her rent increases to £390 per week. Lucy's housing component also increases to £390 per week meaning that her gross income goes up to £988.77 per week. Lucy now pays 39% of her gross income on rent, which under a rent-to-income calculation would indicate that she is experiencing *rental stress*. However, whilst the proportion of her income spent on rent has gone up, so has her gross income, and she still has the same £598.77 left over after paying rent to meet other living expenses.

Lucy's income (gross) and expenditure per week	
Housing component = £390 (39%)	Non-housing related Income Support and other income = £598.77 (61%)
Rent = £390 (39%)	Non-housing expenditure = £598.77 (61%)

Figure 3 – Lucy's income and expenditure after moving home

This example demonstrates how Income Support adjusts to assist households manage a rent increase, even though this adjustment is not captured in the proportional income-to-expenditure rental stress measure.

Lucy's case study, along with others illustrating how household income, eligibility for Income Support and housing affordability interact in practice, is explored in detail in the Income Support system thematic paper.

Insights from social housing providers

At the beginning of the review, the Minister for Housing invited social housing providers to share their views on several key themes, including the current social housing rents policy and related Income Support policies, tenants' experiences of *rental stress*, and the financial sustainability of social housing provision.

Responses were received from Andium Homes, the Jersey Homes Trust and Les Vaux Housing Trust. A summary of these responses is provided below, with further detail in the accompanying thematic paper.

Appropriateness and effectiveness of the social housing rents policy

Social housing providers broadly support the current policy of setting rents at 80% of market value. They consider this approach an effective way of delivering affordable and good-quality homes for tenants, whilst ensuring the financial viability of social housing providers.

They emphasise that the success of the social housing rents policy depends on the adequacy and responsiveness of the Income Support system, which is the primary mechanism for securing affordability for eligible households.

They also caution against reducing rents below 80% of market value, noting that such a change would mainly benefit households who are not eligible for Income Support and could result in an unintended discount for those able to afford market rents.

Experiences of rental stress

Social housing providers report no widespread concerns about rental stress, principally because the housing component of Income Support covers all or part of the rent for most tenants. However, they note that tenants may be affected by wider cost-of-living challenges.

Whilst social housing providers agree that Income Support is the most effective mechanism for assisting tenants, they highlight that households may still experience other financial pressures. These can arise at the start of a new tenancy, where overlapping leases may lead to double rent payments, alongside the need to purchase items such as carpets and white goods.

They also point to an inconsistency between the timing of Income Support payments – typically made weekly or four-weekly – and the monthly, in advance rent payment model used by social housing providers. This misalignment can create budgeting pressures for some households.

Delivery of social housing and unintended consequences

Social housing providers believe that the existing market-based rental model enables them to plan ahead with a reasonable degree of confidence, secure private lending, and deliver homes and housing services. This is evidenced by Andium Homes, which has refurbished over 500 homes and ensured that its entire stock of circa 5,000 homes meets the Decent Homes Standard over the last decade – a performance that compares favourably to jurisdictions facing long waiting lists and under-investment in social housing.

However, social housing providers caution that rising operational and capital costs are outpacing rental income growth, making it increasingly difficult to deliver housing services, maintain existing homes and fund the development of new homes. They also note that the current social housing rents policy does not account for the financial impact when rents remain static or decline for a period and then begin to rise again. For Andium Homes in particular, the 4% annual rent cap creates challenges in adjusting rents to the 80% market target during periods of high inflation.

The policy can also discourage right-sizing. Tenants with historic rents below 80% of market value, or those with long-term tenancies where rents have drifted below 80% over time, may experience higher rents when moving to smaller homes. Social housing providers suggest that consideration should be given to accelerating the transition of such rents to 80% of market value in a more consistent and predictable manner.

Potential amendments to the social housing rents policy

Social housing providers favour targeted adjustments to the current social housing rents policy and related Income Support policies, rather than pursuing comprehensive reform of the social housing rental model. Key aspects include:

- Reviewing the adequacy of Income Support outside of the housing component.
- Allowing greater flexibility in applying the rent cap.
- Aligning Income Support payment schedules with rental payment dates.
- Introducing further incentives for right-sizing.

Social housing providers highlight the importance of stability and predictability in the rents policy, ensuring that rent levels keep pace with inflation and rising costs. Andium Homes noted that any reduction in its rental income, without a corresponding adjustment in the return to government, would directly affect its ability to deliver services to tenants, maintain existing housing stock and fund the development of new homes.

They also emphasise that any move away from the current market-based rental model would require thorough analysis to understand the potential advantages and trade-offs, alongside strong government support to mitigate financial risks for social housing providers.

Issues and opportunities of alternative social housing rental models

Social housing providers acknowledge that an income-based rental model could make rents more responsive to household incomes and better reflect tenants' ability to contribute towards their rents. However, they emphasise that any potential advantages would be outweighed by challenges such as increased administrative complexity and higher costs. Household incomes can also change frequently, and obtaining accurate income data to undertake rent reviews would be problematic for social housing providers, whereas Income Support is already positioned to perform this function.

They also highlight that an income-based rental model would create highly variable and volatile rental income, making long-term financial planning difficult. This volatility would likely require government intervention to secure alternative funding and provide financial stability. Further concerns were raised that an income-based rental model could discourage tenants from increasing their earnings and create a tension between households paying different rents for similar homes.

The principles underpinning the social housing rental model

Social housing providers agree that the core principles of the social housing rental model should remain **affordability for tenants** and the **financial sustainability** of social housing provision.

Further principles include fairness and consistency, ensuring that the social housing rents policy is applied uniformly and perceived as fair by tenants. The policy should also be simple to administer and promote the efficient use of housing stock, so that households occupy homes that are appropriately sized for their needs.

Alternative social housing rental models

The review examined alternative social housing rental models across multiple jurisdictions to identify common approaches to rent setting, funding mechanisms and associated policy outcomes. The jurisdictions were as follows:

- **England**
- **Australia**
- **Austria (Vienna)**
- **Canada**
- **Finland**
- **France**
- **Germany**
- **Ireland**
- **The Netherlands**
- **New Zealand**
- **Scotland**
- **The United States**

This analysis aims to inform the States Assembly on the potential relevance and adaptability of these models for Jersey.

Social housing rental models

Five social housing rental models were identified:

Market-based	Rents set as a percentage (typically 70-80%) of private sector rents.
Income-based	Rents linked to household incomes and what they can afford to pay, usually capped at no more than 25% to 30% of household income.
Cost-based	Rents reflect the costs of constructing and maintaining the property to allow long-term cost recovery.
Characteristic-based	Rents determined by taking into account property characteristics such as size, location and amenities, often using a point system.
Formula rent	Rents calculated to a set formula, taking into account factors such as property characteristics, market values and local income levels within an area.

In practice, jurisdictions often adopt **dual** or **hybrid** rental models, combining elements of market-, income- and cost-based approaches, supported by funding through welfare payments to tenants or direct subsidies to housing providers. Canada and Ireland, for example, adopt dual approaches.

Most European countries apply a single rent level based on either market or cost principles rather than tailoring rent to individual household income. Cost-based models are common in Austria, Germany and Finland, where rents reflect the actual cost of housing provision.

Government funding plays a critical role in ensuring a level of affordability for tenants, supporting the financial viability of social housing providers and achieving broader social objectives. This funding is provided either as welfare payments directly or indirectly to tenants, or as subsidies to social housing providers to bridge the gap between the rents tenants pay and actual market or cost benchmarks.

Rental models in other jurisdictions

These rental models are summarised by jurisdiction below:

Jurisdiction	Types of social housing	Rental model
England	Local authority and housing association	**Formula-based rent in social housing** • Market-based for affordable/intermediate housing; up to 80% of market rent for households not typically eligible for social housing. • Housing benefit available for low-income households. • Capital from government grants and private investment.
Australia	Several, including public housing, and community housing	**Dual – income-based (principle) and market-based** • Rent capped at 25% to 30% of gross income. • Welfare payments meet the difference between the capped rent contribution and the full market rent.
Austria (Vienna)	Public and co-operative housing	**Cost-based model** • Funding of social housing tied to a fixed 1% of income taxation. • Low-income households receive means-tested rent allowances, but welfare assistance is not the core method of social housing funding.
Canada	Public and not-for-profit housing	**Dual market-based (principle) and income-based model** • Rents set at 90% to 95% of market. • Low-income households pay no more than 30% of net income towards rent (*rent-geared-to-income*). • Government subsidy covers the gap between *rent-geared-to-income* and market rent.
Finland	Municipalities and non-for-profit housing associations	**Cost-based model** • Low-income households receive means-tested rent allowances. • Government grants and subsidies for housing development.
France	Mix of public and privately subsidised housing (*Habitations à Loyer Modéré*)	**Cost-based model** • Rent is calculated based on the property's base price, construction and maintenance costs and its surface area. • Rent reduction, called *solidarity rent reduction* available to low-income households.
Germany	Subsidised housing – private investors, non-for-profit, and local authorities	**Cost-based model** • By accepting public subsidies, landlords agree to cost-based rents, which allow for a modest profit. • In return, they must rent to eligible low-income households at reduced rents for a fixed period (typically 15-30 years). • Households receiving welfare support receive a payment covering the whole of their rent.
Ireland	Local authority housing and	**Income-based model**

	Approved Housing Bodies	• Rent is set according to what households can afford and adjusted as circumstances change. • Government subsidy is provided to social housing providers covering the difference between income-based rents and market rents of properties.
The Netherlands	Non-for-profit housing associations	**Characteristic-based model** • Rent is set using a housing appraisal system that scores properties based on quality indicators. • Low-income tenants may receive housing allowances to help cover costs.
New Zealand	Public housing belonging to Housing New Zealand and community housing	**Income-based model** • Rents are set at 25% of household net income, rising to 50% for tenants with higher incomes. • Government covers the gap between tenant payments and market rent through subsidies.
Scotland	Local authority and housing association	**Mixed approach – no national policy or fixed formula for setting rents** • Social housing providers set rents based using local discretion, national guidance, and tenant input. • Rents typically reflect property size, location, management and maintenance costs, and tenant affordability. • Mid-market rents to assist households with modest incomes, set at around 20% above social housing rents or 80% of median private sector rents. • Housing benefit available to help cover rents for low-income households. • Capital is sourced through a blend of government grants and private investment.
United States	Public housing	**Income-based model** • Rents are capped at no more than 30% of a tenant's gross income, with federal government subsidises covering the difference between tenant payments and actual rents or cost benchmarks.

Table 1 – Rental models by jurisdiction

The assessment highlights the diversity of social housing rental models internationally and the different ways that governments balance affordability, financial sustainability and broader social objectives through rent-setting and funding mechanisms.

Based on the assessment, Jersey currently operates a **dual rental model**, which provides two routes to housing affordability:

- All social housing tenants receiving Income Support have their full rent recognised in their benefit calculation. Depending on household income, some tenants have their full rent paid through Income Support, whilst others receive partial financial assistance and pay the remaining amount from their own income.

- Tenants who are not eligible for Income Support must cover the full cost of their rents independently. However, they still receive a market-derived discount, with rents set at up to 80% of market value.

This dual structure generates rental income for social housing providers through two revenue streams influencing how they manage operating costs, maintain housing stock and plan future investment.

Assessment of social housing rents policy options

Summary

- Five policy options identified for Jersey's future social housing rental model, ranging from maintaining the current market-based approach to adopting an income-based alternative.
- Each option assessed against six Critical Success Factors, highlighting key strengths, limitations and associated risks.
- Targeted amendments to the existing rental model are identified as the strongest option, addressing affordability gaps for tenants whilst supporting the financial sustainability of social housing providers.
- Opportunities to integrate elements from other options to enhance the overall balance, effectiveness and responsiveness of Jersey's rental model.

Developing the policy options

This section explores alternative social housing rental models that may be suitable for Jersey. It examines ways to address unintended consequences of the current social housing rents policy and related Income Support policies, whilst also assessing whether alternative rental models could better deliver the policy intent set out in P.29/2025.

As noted, these five policy options have been identified from the review. Each of the options has been assessed against six Critical Success Factors to determine its strengths, limitations, associated risks and the overall feasibility of implementing an alternative rental model.

The options are as follows:

1. Maintain the current social housing rental model (no change)

- Preserve the current rents policy, where rents are set at up to 80% of market value and supported by existing Income Support policies.

2. Amendments to the current social housing rental model (minor change)

- Introduce targeted adjustments to the current rents policy and related Income Support policies to address issues and unintended consequences identified in the review.

3. Reduce rents to an alternative market-based level, e.g. 70% (medium change)

- Lower rents to a revised market-based benchmark (e.g., 70% of market value) to improve affordability for tenants.

4. Increase rents to an alternative market-based level, e.g. 90% (medium change)

- Increase rents to a revised market-based benchmark (e.g., 90% of market value) to support the long-term financial sustainability of social housing providers.

5. Adopt an income-based social housing rental model (major change)

- Transition away from a market-based to an income-based rental model, as proposed in P.29/2025, with the aim of aligning rents more closely with household income to improve affordability for tenants.

The policy options were considered at a stakeholder workshop on 22 September 2025, attended by:

- Andium Homes;
- Les Vaux Housing Trust;
- The Jersey Homes Trust;
- Cabinet Office (Strategic Housing and Regeneration, and Social Security); and
- Treasury and Exchequer.

The policy options were assessed against six Critical Success Factors, which were developed from the insights and key themes identified during the initial appraisal.

Critical Success Factor (CSF)	Description
1. Affordability for tenants	Rents are set at a level that is manageable for tenants and avoid financial pressure.
2. Housing sustainability	Provides a stable, long-term funding model that enables social housing providers to maintain homes, deliver housing services and invest in new homes.
3. Sustainability of public finances	Affordable to deliver, taking into account the implications for the Income Support system and public finances.
4. Feasibility of implementation	Practical to develop and implement within reasonable timeframe and cost.
5. Public benefit	Delivers wider value for Islanders such as security of tenure and efficient use of social housing stock.
6. Equitable outcomes	Promote fair outcomes for households in similar circumstances.

Table 2 – Critical Success Factors for assessing social housing provision

A high-level RAG (Red-Amber-Green) analysis was carried out for each policy option, based on its performance against the CSF[18]. In this analysis:

- Green means it is ***highly likely*** that the model would satisfy the CSF;
- Amber means it is ***mixed or uncertain*** that the model would satisfy the CSF; and
- Red means it is ***highly unlikely*** that the model would satisfy the CSF.

This approach provides a comparative assessment of each policy option, helping to highlight its relative strengths, limitations and associated risks.

Assessing the policy options

Maintain the current social housing rents policy (no change)

Policy Option 1 maintains the existing social housing rental model, with rents set at up to 80% of market value and Income Support policies remaining unchanged. The rationale is that the rental

[18] The CSF ratings are subjective, and it is, therefore, possible that the CSFs scores can carry different sentiment depending on the person carrying out the assessment.

model provides an effective balance between affordability for tenants and the financial sustainability of social housing providers.

Strengths	• Maintains a well-established rental model that has successfully supported the delivery of social housing for over a decade with minimal systemic issues. • Ensures affordability for low-income households by continuing to provide full rent coverage through Income Support for eligible tenants, whilst offering below-market rents to those who do not qualify for assistance. • Requires no structural change as Income Support is already aligned with the rental model, which avoids legislative or administrative adjustments. • Delivers strong financial predictability and ensures stable revenue streams for social housing providers, enabling long-term planning, investment and access to borrowing.
Limitations	• Does not address unintended consequences identified in the review, including: - *Rent drift* – rents gradually fall below 80% of market value as market rents rise faster than capped annual rent adjustments. - Inconsistent rent levels – older and newer tenancies often have different rents for similar properties. - Limited mobility – tenants may be discouraged from moving to appropriately sized homes due to rent disparities. • Relies on Income Support rather than the rental structure to maintain affordability, potentially leaving households just outside eligibility exposed to financial pressure. • Offers limited flexibility, as rising cost pressures on social housing providers may affect long-term sustainability.

Critical Success Factor (CSF)	Rating	Rationale
1. Affordability for tenants	Amber – mixed or uncertain	• Affordability achieved through rents set at 80% of market value, supplemented by Income Support for eligible households. • Operational misalignment between Income Support payments and rental payments to social housing providers, as well as costs at the commencement of a tenancy can cause short-term budgetary pressures and affordability issues for tenants.
2. Housing sustainability	Amber – mixed or uncertain	• The model has proven historically stable but rising cost pressures pose a risk to the long-term sustainability of the model.
3. Sustainability of public finances	Green – highly likely	• Significant financial return from Andium Homes to government, with £29m million delivered in 2024 and a further £30 million forecast for 2025.

		• The return represents an important component of the model's contribution to public finances and helps support policy measures such as Income Support. • External cost pressures could reduce the model's capacity to sustain returns at this level.
4. Feasibility	Green – highly likely	• The model is already in place and operates effectively within current legislation and administrative arrangements. • It aligns with Income Support, ensuring that assistance is directed towards those most in need, whilst maintaining a simple and manageable rental structure for social housing providers.
5. Public benefit	Green – highly likely	• The model has demonstrated a positive impact for more than a decade. It supports the delivery of housing services, ongoing maintenance of housing stock and the development of new homes. • Income Support plays a central role in ensuring that the model delivers public benefit by sustaining the financial framework for social housing and providing timely assistance to eligible tenants. • Setting rents at 80% of market value only at the start of a new tenancy can result in inefficient use of housing stock and reduce financial incentives for tenants to move to homes that better reflect their needs.
6. Equitable outcomes	Amber – mixed or uncertain	• The rental model promotes equity through consistent rent-setting and targeted financial assistance. • However, the absence of ongoing income reassessment for households outside of Income Support assistance may result in discounted rents for higher-income households and limit turnover, reducing access for others in need. • Long-standing tenants with historic tenancy arrangements may pay significantly lower rents than new tenants occupying similar properties.

Policy Option 1 provides a stable foundation for the provision of social housing, performing strongly on feasibility, public benefit and fiscal sustainability. Its integration with Income Support helps to maintain affordability for low-income households.

However, the model has limitations. Whilst Income Support provides assistance to bridge affordability challenges for households in receipt of benefits, this does not extend to households outside Income Support eligibility who may also be experiencing financial pressure, albeit to a less acute level.

This model also allows higher-income tenants to benefit from discounted rents, which raises concerns about fairness and the effective targeting of social housing.

Setting rents at 80% of market value only at the start of new tenancies has led to inconsistencies within the rental structure. Long-standing tenants often pay considerably lower rents than new tenants in comparable properties, reducing fairness and transparency. This also discourages moves to appropriately sized homes, leading to an inefficient use of housing stock.

Whilst maintaining the existing model avoids disruption and preserves operational simplicity, it does not address these unintended consequences. Without targeted amendments, the model risks becoming less responsive, less equitable and less financially sustainable over time.

Amendments to the current social housing rents policy (minor change)

Policy Option 2 proposes a series of targeted amendments to the current social housing rents policy to address specific issues and unintended consequences identified through the review. These changes are modest in scale, preserving the core structure of the existing rental model, whilst addressing identified challenges such as affordability, evolving housing needs and the financial sustainability of social housing providers.

Importantly, the alignment with Income Support would remain unchanged, ensuring that eligible households continue to receive full rent coverage.

The proposed amendments are informed by key insights and themes emerging from the review, including:

- *Rent drift*, where rents fall below the 80% of market value benchmark over time.
- Disparities between older and newer tenancies, creating perceptions of unfairness.
- Limited mobility and under-occupation due to lack of incentives for right-sizing.
- Short-term financial pressure when tenants transition between private and social housing.

This option could be delivered through measures such as:

- Targeted rent reviews for long-standing tenancies to reduce disparities and achieve fairer and timelier convergence towards the 80% of market value benchmark.

- Adjusting rent-setting mechanisms to prevent *rent drift*.

- Considering whether higher-income households should pay rents closer to private sector levels based on their ability to pay.

- Consider further incentives to facilitate right-sizing, improving the efficient use of housing stock.

- Developing coordinated improvements to operational processes to help address noted issues around misalignment between social housing rents and Income Support payment schedules, and short-term financial pressure or rent arrears arising from tenants moving between private rental tenancies into social housing.

This option aims to improve affordability for tenants and strengthen the financial sustainability of social housing providers without major structural change. Its successful delivery would depend on clear communication, well-designed transitional arrangements and proactive engagement with stakeholders to build confidence and ensure a smooth implementation.

Strengths	• Provides a timely opportunity to review the social housing rents policy introduced in P.33/2013, drawing on over a decade of operational experience.

	• Ensures amendments are informed by experience of operational delivery, particularly where unintended consequences have emerged under the current rents policy. • Enables the rental model to adapt to key challenges such as affordability for some tenants, evolving housing needs and financial pressures faced by social housing providers. • Preserves the core structure of the existing rental model, minimising disruption for tenants, social housing providers and administrative processes. • Creates scope to rebalance rental subsidies, targeting below-market rents more effectively towards households with genuine financial need whilst reviewing assistance and existing discounted rents for higher-income tenants.
Limitations	• Targeted amendments may require updates to systems and processes, increasing administrative complexity and resource demands for social housing providers. • Introducing flexible or responsive elements could reduce predictability for tenants and social housing providers, particularly if rent levels become subject to more frequent review. • Rebalancing rent levels and financial assistance may be contentious and politically challenging, especially if perceived as disadvantaging long-standing tenants.

Critical success factor (CSF)	Rating	Rationale
1. Affordability for tenants	Green – highly likely	• Improved process with potential targeted support at key points, such as the start of a new tenancy, could ease initial financial pressure. • Reviewing rent levels for higher-income households and long-standing tenancies may result in rent increases, but these adjustments would be proportionate and remain affordable for those with the means to pay closer to private sector rents. • Risks include perceptions of unfairness and disruption for households accustomed to historic low rent levels.
2. Housing sustainability	Green – highly likely	• Greater flexibility in the rents policy would allow social housing providers to better align rents with financial demands which would assist in strengthening the financial sustainability of social housing providers. • However, as a modest policy change, the amendments may not fully address the financial challenges faced by social housing providers caused by rising costs and inflationary pressures.
3. Sustainability of public finances	Amber – mixed or uncertain	• Addressing issues such as rental drift and the inefficient use of housing stock could improve rental income and support Andium Homes' return to government.

		• However, if amendments lead to lower rents or introduce unfunded support measures, this could place pressure on public finances.
4. Feasibility	Green – highly likely	• Changes expected to be relatively modest in scope and require only minimal additional resources for implementation, ensuring a proportionate and cost-effective approach.
5. Public benefit	Green – highly likely	• Retains the stability and predictability of the current rental model, whilst ensuring that rents remain affordable for tenants through continued alignment with Income Support and targeted measures for households at risk of financial pressure. • Implements targeted measures to mitigate the unintended consequences of the current rents policy, with a focus on reducing disparities between new and longer-standing tenants and promoting the efficient use of housing stock.
6. Equitable outcomes	Green – highly likely	• Targeted rent reviews for long-standing tenancies would align rents more closely with the 80% of market value benchmark. • Income Support would continue to secure affordability for low-income households. • Fairer rent contributions from higher-income households whilst additional assistance could help lower-income households become eligible for Income Support benefit. • Incentives for right-sizing would help free up under-occupied properties and ensure housing stock is used more efficiently.

Policy Option 2 offers a measured response to the issues identified in the review, and the unintended consequences of the social housing rents policy introduced in 2014.

The proposed amendments are modest in scope, preserving the core structure of the existing rental model, whilst improving its fairness, flexibility and effectiveness. Importantly, the current Income Support arrangements for low-income households would remain unchanged, ensuring continued rent coverage for eligible tenants.

The review identified that some higher-income households who are not eligible for Income Support continue to benefit from discounted rents, which may not reflect their ability to pay. This option creates scope to consider whether these households should contribute more towards their housing costs, bringing their rents closer to private sector levels. This would help ensure that subsidies are targeted toward households with genuine financial need, whilst maintaining affordability for lower-income tenants. Any changes would be implemented carefully to avoid sudden financial pressure and would be accompanied by enhanced assistance for households just outside Income Support eligibility.

However, several risks would require careful mitigation.

Rent increases for some tenants, particularly those who have planned around historic rent levels, may create perceptions of unfairness and resistance and overall would be a politically challenging measure to implement. Greater flexibility in rent-setting could also reduce predictability for tenants and social housing providers, making long-term financial planning more challenging.

In addition, changes to systems and processes may increase administrative complexity and resource demands for social housing providers, particularly if alternative rent-setting mechanisms such as an income-based model or new rental products are introduced for households just outside Income Support eligibility.

These risks can be mitigated through phased implementation, clear communication and transitional arrangements to ease the adjustment for affected households.

Reduce rents to an alternative market-based level, e.g. 70% (medium change)

Policy Option 3 proposes reducing social housing rents to a benchmark such as 70% of market value. Whilst this could improve affordability for some tenants, it presents significant risks to the financial sustainability of social housing providers. Lower rents would substantially reduce rental income, limiting social housing providers' ability to deliver housing services, maintain homes and invest in the development of new homes. Addressing this funding gap would likely require additional government support or alternative sources of finance.

Strengths	• Provides a direct response to concerns about housing affordability within the existing market-based rental model. • Could ease financial pressure for households paying rents above the proposed benchmark and not receiving Income Support. • Incremental savings in Income Support expenditure as a result of the change.
Limitations	• Uncertain impact on overall affordability. A reduction to 70% of market value would not affect most tenants whose housing costs are already covered by Income Support. • Would reduce reliance on Income Support for some households but create financial pressure for those near the threshold once assistance is withdrawn. • Applies broadly to all tenants, including higher-income households who would continue receiving discounted rents despite having the means to afford market rents. This raises questions about equity and whether the policy effectively targets those most in need. • Lowering rents would reduce rental income for social housing providers, creating additional financial pressures and compromising long-term financial sustainability. Without offsetting measures, this could limit their ability to deliver housing services, maintain housing stock and invest in the development of new homes.

Option 3 Critical success factor (CSF)	Rating	Rationale
1. Affordability for tenants	Amber – mixed or uncertain	• Would disproportionately benefit higher-income tenants who are not eligible for Income Support, increasing their discounted rents without clear targeting of assistance.

		• Delivers no change for tenants whose housing costs are already met through Income Support. • May improve affordability for tenants whose incomes are outside eligibility for Income Support, but not high enough to comfortably absorb housing costs.
2. Housing sustainability	Red – highly unlikely	• A reduction in rent levels would shift part of the public subsidy from Income Support to social housing providers. Instead of tenants receiving direct financial assistance, providers would absorb the cost through lower rental income. This would reduce government expenditure but place additional, unfunded costs on providers. • Lower rental income would compromise the financial sustainability of social housing providers, placing pressure on operating budgets and limiting service delivery and property maintenance. Providers may need to reconsider funding models, seek greater government support or alternative sources of finance, and face constraints in developing new homes.
3. Sustainability of public finances	Red – highly unlikely	• Lower rents would reduce government expenditure on Income Support but shift the financial burden to social housing providers. • Reduced rental income would lower Andium Homes' return to government, which currently provides a net contribution to public finances, not a cost. This would negatively impact the sustainability of public finances. • Maintaining the viability of social housing may require additional public funding or alternative sources of finance to offset lost rental income and support continued service delivery and investment in the development of new homes.
4. Feasibility	Green – highly likely	• Straightforward to implement as it builds on a component of the existing rental model. A transition period would be required for tenancies currently above 80% of market value, during which rents could be frozen until they align with or fall below the benchmark.
5. Public benefit	Amber – mixed or uncertain	• Some higher-income households may benefit from lower rents, but most tenants receiving Income Support would see no change, as their housing costs are already covered. • Reduced rental income would limit social housing providers' capacity to maintain homes, deliver housing services and invest in the development of new homes. This risks creating a shortfall in supply and reversing recent progress in meeting demand.
6. Equitable outcomes	Red – highly unlikely	• Lower rents would not improve equity, as higher-income tenants who can already afford market rates would benefit disproportionately, effectively increasing their discounted rents. Implementing this change would also require a transition period for tenancies currently above the 80% benchmark.

		• For tenants receiving Income Support, lower rents would not create a net financial gain, as Income Support payment would simply adjust downwards to reflect lower housing costs.

Although Policy Option 3 may appear to offer a straightforward solution, reducing social housing rents to a benchmark such as 70% of market value is unlikely to improve affordability for most tenants. This is because Income Support covers up to the full rent for many households, meaning that they would not see a reduction in housing costs.

By contrast, higher-income households would benefit disproportionately, receiving discounted rents despite having the financial capacity to afford market rents. One of the aims of *The Reform of Social Housing* (P.33/2013) was to eliminate such discounts from Jersey's rental structure. A blanket rent reduction risks reintroducing them in a way that is not aligned with household need or ability to pay.

The reallocation of public subsidy from the Income Support system to social housing providers – i.e., through lower rental income – represents a reconfiguration in funding mechanisms, where a greater level of subsidy would be embedded within the rental structure itself. Whilst this may reduce Income Support expenditure, it transfers risk and financial pressure onto social housing providers.

The resulting funding gap would need to be met through alternative public sources. Whilst this option may appear fiscally neutral, it would fundamentally alter the underlying dynamics of who receives funding, how it is delivered and who bears the risk.

Overall, these impacts raise significant concerns about financial sustainability, fairness and alignment with policy objectives, making this option one that requires careful consideration.

Increase rents to an alternative market-based level, e.g. 90% (medium change)

Policy Option 4 proposes aligning social housing rents more closely with private sector levels – for example, setting rents at 90% of market value. This would reinstate the approach used between 2014 and 2022, before rents were reduced to 80% of market value to improve affordability for tenants.

Strengths	• Higher rental income would strengthen social housing providers' ability to fund housing services, maintain properties and invest in the development of new homes, improving financial sustainability. • Affordability for low-income households would be maintained if Income Support continues to cover the full rent charged by social housing providers, and more households would become eligible for Income Support benefits as the housing component increases. • Higher-income tenants would pay rents closer to market levels, reflecting their ability to pay. • Implementation would be straightforward within the existing market-based rental model. • Clear separation of roles: rent-setting reflect near-market values, whilst Income Support remains the sole mechanism for bridging the gap between

	rents and affordability, rather than embedding subsidies within the rental structure itself.
Limitations	• Higher public expenditure on Income Support due to rent increases and more households eligible for assistance – offset by increased return from Andium Homes and, potentially, contributions from the Housing Trusts. • Affordability concerns may arise, as upward rent adjustments – even when driven by legitimate cost pressures faced by social housing providers – may be perceived as unfair, creating a potential for reputational damage and potentially significant political challenges in effectively communicating the rationale and any subsequent implementation. • Risk of deepening unintended consequences if rent increases apply only to new tenancies, leaving long-standing tenants on lower rents. • Higher rents may discourage entry into social housing for those on the margins of Income Support eligibility

Critical success factor (CSF)	Rating	Rationale
1. Affordability for tenants	Amber – mixed or uncertain	• Uneven impact across tenancies if rent increases apply only to new tenancies, creating affordability disparities and limiting the overall effectiveness of the policy. • Lower-income households who currently receive Income Support as well as those who would become eligible would have rent increases covered through the housing component, maintaining a neutral financial position and shielding them from financial pressure. • Households who qualify for social housing but who continue to fall outside Income Support eligibility may face higher rents without assistance, worsening affordability.
2. Housing sustainability	Green – highly likely	• Improved revenue stream for social housing providers, helping to cover rising costs and inflationary pressures. • More predictable revenue base would improve social housing providers' ability to access borrowing for long-term capital investment.
3. Sustainability of public finances	Amber – mixed or uncertain	• Increased rental income would generate a higher return from Andium Homes to government. This would help to offset the increased cost of the housing component within Income Support. • However, the increased housing component would also extend to social housing tenancies in the Trusts which do not make such a return.
4. Feasibility	Amber – mixed or uncertain	• Straightforward to implement, as it targets an existing component of the rental model. • Risk of strong public and stakeholder resistance if affordability and fairness are perceived to be compromised by increased rent levels.

5. Public benefit	Amber – mixed or uncertain	• Higher rental income would strengthen the financial sustainability of social housing providers, enabling them to fund housing services and property maintenance, and to invest in the development of new homes. • Risk of deterring eligible households from entering social housing, undermining efforts to broaden access across income groups and housing needs. • If rent increases apply only to new tenancies, existing tenants may be reluctant to move, which could further entrench under-occupation and reduce overall stock efficiency. Conversely, applying rent increases to all tenancies would create a financial incentive for households to right-size when appropriate, improving the effective use of housing stock.
6. Equitable outcomes	Amber – mixed or uncertain	• If rent increases apply only to new tenancies, the gap between long-standing tenants paying lower rents (e.g., 80% of market value) and new tenants paying higher rents would widen, creating inequity and potential dissatisfaction. • Applying rent increases across all tenancies would promote consistency in rent levels, reduce disparities between tenants and enhance transparency and fairness in the rental structure. • Affordability concerns would be mitigated through Income Support for eligible low-income households, whilst higher-income households would pay rents more closely aligned with private sector levels and their ability to pay.

Policy Option 4, if applied across all tenancies, would realign the rental model with the intent of *The Reform of Social Housing*, promoting consistency and transparency. It could enhance the financial sustainability of social housing providers, generating funding for housing services and property maintenance, and supporting investment in new developments. A predictable revenue stream would also improve access to borrowing for long-term capital projects.

However, these benefits are tempered by significant challenges. The policy would increase rents for higher-income tenants, aligning them more closely with market levels, but this risks creating affordability issues for households outside Income Support eligibility. Addressing these impacts would require complex mitigation measures.

Crucially, in 2021, the States Assembly endorsed a revised social housing rents policy, reducing rents from a maximum of 90% to 80% of market value[19]. This change reflected strong political and social concerns about affordability during a period of rising living costs. Reintroducing a higher rents policy would, therefore, conflict with recent decisions and ongoing public concern about housing costs. This option is, therefore, regarded as politically unfeasible at this time.

Whilst the option reinforces the separation between rent-setting and assistance through Income Support, it would still result in increased public expenditure in the form of a higher housing

[19] Following the publication of the *2022-2025 Government Plan* (P.90/2021), and subsequent amendment by then Senator S.Y. Mézec (P.90/2021 Amd.) and the then Minister for Housing and Communities (P.90/2021 Amd. Amd.), the States Assembly endorsed a revised social housing rents policy, which set rents at a maximum of 80% of market value. The rents policy was formalised in the Minister's *Fair Rents Plan* (December 2021) and came into effect on 1 January 2022

component to an increased number of households eligible for benefit. Although higher returns from Andium Homes and potentially the Housing Trusts could offset this, concerns around fairness and accessibility would persist, requiring careful mitigation.

Adopt an income-based social housing rental model (major change)

Policy Option 5 represents a fundamental shift in Jersey's social housing rental model by introducing an income-based rent approach, where rents are aligned with household affordability benchmarks rather than market values.

Strengths	• Ensures rents remain proportionate to household income, reducing risk of financial pressure from housing costs. • Promotes equity by basing tenant contributions on ability to pay rather than market rents or fixed thresholds. • Automatically adjusts to income fluctuations, offering built-in protection for tenants during periods of financial change.
Limitations	• Administratively complex, requiring regular income verification and rent recalculations. This would require substantial resources and operational capacity. • Implementation would necessitate major upgrades to technical systems (e.g., income verification and rent calculation) and integration with Income Support, posing significant cost and time challenges. • Income-based rents may fall below market levels, reducing rental income for social housing providers. Any shortfall would require alternative funding mechanisms to ensure financial viability. • Unpredictable rental income would complicate social housing providers' revenue forecasting, potentially undermining borrowing capacity, investor confidence and long-term planning. • Potential overlap with existing Income Support systems could lead to operational inefficiencies. • Data access barriers as social housing providers lack access to tenant income data. This would require new infrastructure, processes and legislative changes to enable secure data collection and management.

Critical success factor (CSF)	Rating	Rationale
1. Affordability for tenants	Amber – mixed or uncertain	• Dependant on the proportion of income to be spent on rent, affordability may improve for low- and moderate-income tenants, particularly those not currently eligible for Income Support, as rents would be aligned with this proportion of income rather than market rates. • For tenants already receiving Income Support, an income-based model may not improve affordability unless the assistance is recalculated in line with the new rent structure.

		• If Income Support is reduced to reflect lower income-based rents, tenants may have less residual income remaining after housing costs, depending on how the housing component calculation is adjusted. • Higher-income tenants would contribute proportionally more rent, improving fairness by ensuring those with greater financial capacity pay more towards their housing costs.
2. Housing sustainability	Red – highly unlikely	• The anticipated reduction and unpredictability in rental income, combined with potential increased reliance on government subsidies, presents a significant risk to the long-term financial sustainability of social housing providers. • Without a stable and reliable revenue base, social housing providers may face serious constraints in delivering housing services, maintaining existing housing stock and developing new homes.
3. Sustainability of public finances	Red – highly unlikely	• The model introduces financial risk and uncertainty due to increased reliance on government subsidies and potential administrative inefficiencies. As rental income declines, government would need to assume greater financial responsibility, with sustained, and potentially increasing, subsidy commitments required to ensure the viability of social housing providers. • Integrating income-based rents with Income Support could lead to duplication, unclear responsibilities and higher administrative costs, reducing the overall efficiency of the model.
4. Feasibility	Red – highly unlikely	• Implementing the model would require extensive legislative and administrative changes, including income verification systems, data sharing protocols and rent-setting mechanisms. The operational complexity and legal implications make it highly impractical within current policy and legislative frameworks.
5. Public benefit	Amber – mixed or uncertain	• The model promotes fairness by aligning rent contributions with financial capacity, ensuring that lower-income households are not disproportionately burdened by housing costs. • However, it could inadvertently discourage households seeking to improve their financial situation, as higher earnings could result in increased rent.
6. Equitable outcomes	Amber – mixed or uncertain	• Tailoring rent to income improves financial equity, but inconsistent rent levels between similar properties and challenges in income assessment may undermine perceptions of fairness.

Policy Option 5 proposes linking social housing rents directly to household income to improve fairness and affordability. Dependant on the proportion of income a household is expected to pay in rent within this option allows for the potential to enhance affordability for households who are not eligible for Income Support and reduce their risk of financial pressure. It also promotes fairness by aligning rents with ability to pay and provides protection during periods of income fluctuation.

However, its implementation presents significant challenges that could affect viability. The model would require legislative changes, new technical systems and ongoing administrative capacity to manage income verification and rent recalculations.

Reduced and unpredictable rental income, combined with greater reliance on government subsidies, raises concerns about the long-term financial sustainability of the model. The operational complexity and potential duplication with the existing Income Support system also make the model resource-intensive and challenging to implement within current policy and administrative structures.

RAG analysis of alternative social housing rental models

A points-based scoring system was applied to the RAG ratings for each Critical Success Factor, enabling a structured comparison of the strengths and weaknesses of each policy option. Each CSF is rated as follows:

- Green = +1 point (strong performance)
- Amber = 0 points (neutral or mixed performance)
- Red = -1 point (weak performance)

Option	CSF 1	CSF 2	CSF 3	CSF 4	CSF 5	CSF 6	Score
1							**+3**
2							**+5**
3							**-2**
4							**+1**
5							**-3**

Table 5 – RAG analysis of alternative social housing rental models

On the basis of the points-based scoring system:

- Policy Option 2 – **amendments to the current social housing rents policy** – scores +5, indicating strong alignment with most CSFs. It effectively balances affordability, financial sustainability and other key policy objectives, making it the most favourable option. Its strength lies in its capacity to enhance the existing rental model whilst addressing emerging challenges and opportunities.

- Policy Option 1 – **maintain the current social housing rents policy (no change)** – scores +3, suggesting good performance but with some limitations. It performs well across several CSFs but does not fully address concerns regarding targeted financial assistance or long-term financial sustainability. Whilst stable, it may miss opportunities to improve efficiency and better align with evolving housing needs.

- Policy Option 4 – **increase rents to an alternative market-based level** – scores +1, indicating a modest positive impact overall. It has the potential to enhance financial sustainability for social housing providers by aligning rents more closely with market conditions. However, it also introduces affordability concerns for tenants and poses implementation risks, particularly around transition management and public acceptability.

- Policy Option 3 – **reduce rents to an alternative market-based level** – scores -2, suggesting this option performs poorly against the CSFs. Whilst it may enhance affordability for some tenants, it presents challenges around financial sustainability and effective targeting of assistance.

- Policy Option 5 – **adopt an income-based social housing rental model** – scores -3, indicating a negative impact overall. Whilst it may improve fairness and affordability for some tenants by aligning rents with household incomes, it raises significant concerns around financial sustainability for social housing providers and introduces administrative complexity, which could affect implementation feasibility and cost-effectiveness.

Although Policy Option 2 demonstrates the strongest overall alignment with the CSFs, each option contains potentially valuable elements that could inform a more effective social housing rental model. Introducing some market-based flexibility, alongside targeted adjustments to assist households that fall just outside Income Support eligibility, could enhance the capacity of the model to balance affordability, financial sustainability and operational efficiency.

Policy option conclusions

The five policy options for Jersey's social housing rental model have each been assessed against a set of Critical Success Factors, providing a balanced assessment of their strengths, limitations and associated risks. Whilst the existing rental model has delivered stability and affordability for many tenants, the review has identified challenges relating to the long-term financial sustainability of the model, unintended consequences, and its ability to respond to changing housing needs.

Policy Option 2 – targeted amendments to the existing rental model and related Income Support policies – emerges as the strongest option. It preserves the structure of the existing model whilst making changes to resolve challenges identified from the review, including disparities across rents, financial pressures on social housing providers and the efficient use of social housing stock.

Alternative rental models, such as income-based rents, may appear to offer greater fairness and affordability for tenants. However, under Jersey's existing rental model, where Income Support already provides targeted financial assistance to eligible households, these models are unlikely to deliver significant improvements in affordability.

In practice, these models would introduce legislative complexity, significant administrative burden and duplication of income assessment processes. Their implementation would require substantial structural reform, whilst offering limited added value for tenants and risking the long-term financial sustainability of social housing provision.

Whilst Policy Option 2 is identified as the preferred approach, the assessment also recognises the potential to integrate selected elements from other options to enhance the effectiveness of the rental model. This includes measures to address identified affordability gaps, particularly for households just outside Income Support eligibility, and to review the treatment of higher-income tenants who may continue to benefit from discounted rents despite having the financial capacity to contribute more.

Above all, maintaining affordability as a central principle of the rental model is essential. This must be balanced with the financial viability of social housing providers, who rely on rental income to deliver housing services, maintain housing stock and invest in the development of new homes.

Review findings

Conclusion

This review was undertaken to develop options for a revised social housing rents policy, in line with the principle in P.29/2025, as amended, that social housing rents and related Income Support policies should not place tenants in rental stress. It provides a comprehensive appraisal of the current policy – where rents are set at up to 80% of market value – and its interaction with the Income Support system, alongside an assessment of alternative social housing rental models.

The findings of the review, together with the assessment of alternative rental models, offer an evidence-base for the States Assembly to assess the effectiveness of the current rents policy and Income Support policies. They also provide the Assembly with a framework to consider the relevance and applicability of alternative models to Jersey in the longer term.

At the same time, the review enables the Minister for Housing to identify and implement targeted, near-term improvements to the design and delivery of the existing rents policy, ensuring that it upholds principles such as affordability, fairness and long-term sustainability.

Overall, the review concludes that Jersey's existing market-based social housing model has been effective in delivering affordable, good-quality homes for low-income households whilst maintaining financial stability for social housing providers.

However, it also identifies several challenges and unintended consequences, now amplified by cost-of-living pressures, which underline the need for targeted adjustments to ensure the rental model remains fair, effective and sustainable.

Affordability and rental stress

The review finds that housing affordability in Jersey is complex and cannot be accurately assessed through a single measure. Although some households spend more than 30% of income on rent – a common benchmark for rental stress – many retain sufficient residual income to meet other essential living costs.

Social housing tenants are largely protected because the housing component of Income Support adjusts to the actual rent charged by social housing providers. Wider cost-of-living pressures, rather than rent alone, appear to be a key driver of financial pressure amongst low-income households.

Effectiveness of Income Support

The Income Support system is the primary mechanism for maintaining housing affordability for eligible households. It mitigates rental costs for social housing tenants through proportional adjustments to the housing component and uses a disregard mechanism to taper benefits smoothly as household earnings rise, avoiding cliff-edge effects.

Changing the rental structure would replicate an existing function and add complexity without delivering significant additional benefit. The current design, introduced as a result of P.33/2013, removed the cap on the housing component for social housing tenants, ensuring that affordability is managed through Income Support rather than embedded rental discounts. This approach avoids duplicative income testing by social housing providers and enables structured, incremental adjustments as household income changes.

Current rental model performance

The market-based social housing rental model, where rents are set at set up to 80% of market value (previously 90% of market value), has delivered stability and supported the financial viability of social housing providers for over a decade. It ensures affordability for low-income tenants and predictable revenue for social housing providers, which enables the refurbishment of existing housing stock, delivery of housing services and investment in new homes.

However, several unintended consequences have emerged. Historic tenancies and prolonged rent freezes have led rents to drift below the 80% benchmark, reducing incentives for tenants to right-size and creating inequity between households paying different rents for similar properties. Upfront costs when moving from the private sector into social housing, such as overlapping rents between tenancies, can also create short-term financial pressure.

For social housing providers, rising operational and capital costs, combined with capped rent uplifts, are outpacing revenue growth and increasing pressure on their long-term sustainability.

Alternative rental models

Experience from other jurisdictions suggests that income-based social housing rental models offer fairness in principle but introduce significant administrative complexity, create unpredictable revenue streams for social housing providers, and often require additional government subsidies to bridge the gap between rents charged and social housing provider costs.

Internationally, hybrid approaches are common, combining elements of market- and income-based methods with government support delivered through welfare or direct subsidies to social housing providers. Jersey's current rental model of market-based rents supported by Income Support is, effectively, a dual model.

Targeted amendments to the existing rental model are likely to deliver the best balance of affordability, fairness, operational efficiency and financial sustainability, whilst avoiding the complexity and financial uncertainty associated with fully income-based models.

Policy approach and next steps

Key priority areas

The Minister for Housing will adopt Policy Option 2, implementing a series of targeted, near-term amendments to the existing social housing rents policy. This option aims to address the specific issues and unintended consequences identified through the review, whilst preserving the core structure of the existing social housing rental model.

This approach will enable the Minister to deliver meaningful progress on the rents policy within the remainder of the current political term, and to initiate longer-term work to strengthen and improve the policy and operational framework.

The Minister will focus on three key priority areas:

Strengthening policy

Maintain a clear and effective policy framework for social housing rents that delivers affordability, fairness and sustainability in rent-setting practices.

Operational effectiveness

Ensure the social housing rents policy operates efficiently and supports tenant affordability by enhancing coordination between government and social housing providers.

Communication and monitoring

Provide clear information on social housing rents, ensure regular dialogue with stakeholders, and monitor affordability and policy impact effectively.

Under each key priority areas sit a number of connected actions, as follows:

Priority	Action	Description	Timescale
Strengthening policy	**A1**	**Evidence-informed social housing rents policy:** The Minister for Housing will maintain an ongoing review of housing affordability and other relevant economic indicators, using the latest data, research and qualitative insights to ensure that the social housing rents policy remains responsive to tenants' needs and supports the financial sustainability of social housing providers.	Ongoing monitoring.

		Noting the importance of the market-based model, the Minister has also requested further information from Andium Homes relating to Options 3 and 4 – setting rents at 70% and 90% of market rate – to inform future consideration. The Minister will publish his findings in an addendum, which will also test the impact of wider rent reviews to bring all tenants up to the 80% model.	
	A2	**Rent adjustments under the Residential Tenancy (Jersey) Amendment Law 202-:** The forthcoming implementation of the Amendment Law provides an opportunity to work with social housing providers under Article 7C to refresh rent-setting and adjustment arrangements. Where providers seek exemptions from the Rent Tribunal mechanism, formal agreements on rent adjustment processes will be established to ensure clarity, fairness and transparency. As part of this work, the Minister for Housing will agree policy positions on rental adjustments and address issues identified through the review, including: • Adjustments where rents fall below the 80% market value benchmark over time. • Measures to ensure timelier convergence of rents towards 80% of market value. • Incentives for right-sizing, ensuring policies encourage appropriate use of housing stock. This approach will ensure that rent-setting and adjustment mechanisms remain consistent with the social rents policy, comply with legislative requirements and support affordability and sustainability objectives.	Over course of 2026 as part of implementation of forthcoming Amendment Law.
	A3	**Targeted rent review**: The Minister for Housing, in partnership with social housing providers, will examine how the social housing rents policy can better ensure affordability and fairness for tenants. This involves: • Reviewing the rental arrangements for long-standing tenancies to reduce disparities between tenancies under the new and old rents policies, and support gradual, fair alignment between tenants occupying similar properties.	Commence work by Q3 2026, ensuring findings are ready to support policy considerations over the next political term.

		• Exploring whether higher-income households could pay rents closer to market levels, supported by clear communication and protections for affordability and security of tenure.	
Operational effectiveness	**B1**	**Review alignment of Income Support payments and rent cycle**: The Minister for Housing will work with the Minister for Social Security and social housing providers to assess the alignment between rent-setting practices and Income Support payment schedules to identify opportunities for improved administrative efficiency and help maintain financial stability for tenants.	Review by Q4 2026 as part of the stakeholder forum outlined in Action C2.
	B2	**Tenancy commencement**: The Minister for Housing will work with social housing providers to identify measures that help manage upfront costs at the beginning of a tenancy and minimise potential financial pressure when tenants move into social housing.	Q4 2026
Communication and monitoring	**C1**	**Policy statement on social housing rents**: The Minister for Housing will publish a consolidated policy statement on social housing rents. The policy statement will provide a clear framework and set of expectations for rent-setting and adjustments. This will provide transparency and reinforce principles of affordability, fairness and financial sustainability.	Publish policy statement Q1 2026.
	C2	**Social housing providers forum**: The Minister for Housing will convene a regular stakeholder forum, bringing together representatives of social housing providers, relevant Ministers and government officials. The forum will be to monitor the rents policy and related Income Support policies, ensuring they uphold affordability, fairness and financial sustainability. It will also address operational issues and consider factors that may affect tenants' ability to meet housing costs.	First meeting in Q1 2026.
	C3	**Clear information on social housing rents and Income Support**: In partnership with the Minister for Social Security and social housing providers, the Minister for Housing will ensure that clear, accessible information is available	Publish information by Q4 2026

		on rent-setting, rental adjustments and the support available through Income Support. These measures will include: • Online resources with detailed guidance. • Information at the point of application through the Affordable Housing Gateway. • Use of social media channels to promote and the benefits it offers. This approach will give tenants and prospective tenants a better understanding of how rents are determined and how Income Support helps manage housing costs.	

The key priority areas and associated actions will be delivered in collaboration with the Minister for Social Security and the Minister for Treasury and Resources to strengthen both the design, delivery and communication of the rents policy and related Income Support policies.

Any changes to the rents policy must be carefully assessed against the public finance implications. This will be a key determinant of both the scale and timing of amendments, ensuring they remain financially sustainable for government and social housing providers.
A significant factor in this assessment is the current annual return of approximately £30 million made by Andium Homes to government. This return supports wider public services and must be considered when evaluating potential adjustments to the rental model.

In the longer-term, the range of policy options outlined in this review provides the States Assembly with a clear framework for assessing the relevance and applicability of potential alternative rental models for Jersey.