



Private Tenancies LEASES

Citizens Advice: Island Update

Data for period 1st January to 31 December 2022.

March 2023

Private Rental Sector: LEASES

This report will illustrate issues with leases as experienced by landlords and tenants from data collated from client enquiries in 2022

Introduction

The private rental sector in Guernsey is significant¹ and plays a vital role in meeting local housing needs. However, the only legislation in place is the Rent Control (Guernsey) Law 1976 but this is believed to be no longer fit for purpose². The States do have a Code of Good Practice for Renting Accommodation, but this does not include any reference to deposits.

In July 2018 the States directed the Committee for Environment and Infrastructure to undertake a programme of works “to support the provision of good quality housing, following concerns that the current provisions within legislation to regulate standards across the island’s housing stock were inadequate.” This led to the ‘Proposed Introduction of a General Housing Law’ which was debated and approved by the previous States on 3rd July 2020. More recently, at the States meeting on 13th October 2021, enabling legislation for “The Housing (Standards and Regulation) (Enabling Provisions) (Guernsey) Law, 2021” was approved.

The scope of the Ordinance enabling provisions include:

- (a) the assessment by specified persons of the quality of housing, and its fitness for human habitation,
- (b) the specification, publication, and enforcement of minimum standards for rental housing,
- (c) the licensing by the Committee of landlords of HMO (house in multiple occupation) housing,
- (d) the establishment and maintenance by the Committee of a register of landlords of rental housing,

¹ Guernsey Facts and Figures 2021 and 2022

Guernsey	31 Dec 2020	31 Dec 2021	Change
No. domestic properties	27,206	27,371	+165
% Local Market (LM)	94%	94%	0
% Open Market (OM)	6%	6%	0
% of LM rented	26.6	26.4	-0.2 %
% of OM rented	32.3	31.0	-1.3%

Between 31 Dec 2020 and 31 Dec 2021, the data shows a slight decrease in the proportion of property units in the rental sector at a time when the total number of domestic property units has increased.

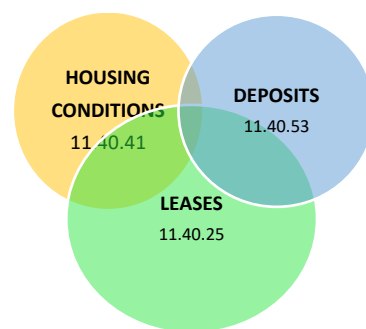
² Guernsey Bailiwick Express 25 January and Deputy Peter Roffey on BBC Radio Guernsey 26 January 2022

- (e) the establishment and operation of a deposit protection scheme in respect of rental housing,
- (f) the obligations, and rights, of landlords and tenants, and
- (g) the protection of the public from threats to public health resulting from poor quality housing, including (but not limited to) the making of orders by the Committee mandating the demolition and clearance of dwellings where necessary for that purpose.

Methodology

All client enquiries are logged in a case recording database using issue classification codes. These are used to identify relevant records which are further analysed.

For this report Private Rental cases from 2022 using the code for “Leases” were examined. Additional issues were identified in this report where a client has highlighted a further issue, for example initial query regarding leases but then highlighting a secondary issue such as housing conditions, or deposits. The full extent of these additional issues would require analysis of the subset of codes³.



Analysis

All the enquiries examined were from individual clients although many clients reported multiple issues, and some needed to make repeated contact as their situation developed.

A total of **152 clients** contacted Citizens Advice Guernsey during 2022 in relation to lease issues. Of these approximately 11% were landlords (17/152 clients) and 89% were tenants (135/152 clients).

During this period **274 lines** of enquiry were identified in cases related to leases.

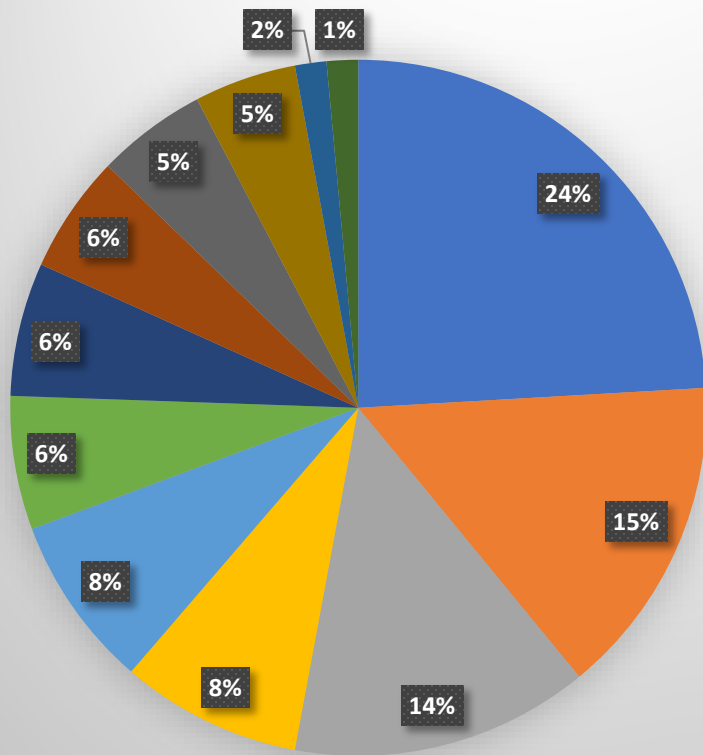
A total of **12 areas of interest** were identified and are listed in the table on the following page.

“Termination and Evictions” registered the highest number of lines of enquires and numbers of clients. Over 40 % of clients raised issues around termination and eviction.

³ In this report Citizens Advice Guernsey looks at issues relating to leases, namely issues recorded under the coding 11.40.25 “Leases”. It should be noted that under the general coding category Private Tenancies (11.40) there are several subsets, which deal with specific issues, for example 11.40.41 housing conditions, and 11.40.53 deposits. Although data is analysed from these different subsets, not all the records from these codes are included. References to these additional issues are only identified in this report when a client has reported them at the same time as a lease issue.

Breakdown of 274 lines of enquiry raised by 152 Clients

Private tenancy issues raised during 2022	Lines of enquiry	%	Rank
Termination & eviction issues	66	24.1	1
Changes & breaking lease	41	15.0	2
Property condition & noise	38	13.9	3
Rent increases	23	8.4	4
Deposits	22	8.0	5
Rent arrears /late payments	17	6.2	6
Relationship breakdown between tenants	17	6.2	6
No lease	15	5.5	8
Rates, utilities & TRP	14	5.1	9
Non agreed access, inspection, & photos by landlord	13	4.7	10
Discrimination & harassment	4	1.5	11
Car parking	4	1.5	11
Total	274	100	



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- Car parking

Context

During the period of the data collection house prices in the Local and Open market in Guernsey rose. (Appendix 1).

Data from 31st December 2021 (Guernsey Facts and Figures reference 1) shows an increase of 165 domestic property units on the island from the previous year. Of these there was a 0.2% reduction in rental property units on the Local Market and 1.3% drop in Open Market.

The population increased by 0.9% (539) over the year to 31 Dec 2021. The total population of Guernsey as of 31 December 2021 was 63,823. By the end of March 2022, it had continued to rise to 64,711.

With a drop in the percentage of rental units, an increase in population and rising property prices collectively contributed to a shortage of rental properties with a strong rise in rents reported. Appendix 2.

Clients repeatedly reported there was a scarcity of rental properties available.

Key Issues identified:

From a tenant's perspective the following three issues were frequently linked:

Rank 1 = Termination and Eviction	24.1%	(66 lines of enquiry)
Rank 2 = Changes and breaking leases	15.0%	(41 lines of enquiry)
Rank 4 = Rent Increases	8.4%	(23 lines of enquiry)

Tenants often expressed concern that they felt under pressure to accept increases in rent, in several cases outside of the terms of the lease. In some instances, the tenant felt they were therefore either going to be placed into financial difficulties if they accepted the rent increase or face termination of the lease and eviction if they questioned the rent increase. The pressures were considerable as there was a general shortage of rental properties.

In other instances, several landlords had decided to sell the property that they had previously rented and hence wished to terminate the lease. Some of these leases had run for many years.

Other issues identified for further investigation:

Citizens Advice has previously issued reports on "Repairs & Housing Conditions in the Private Rental Sector" (November 2021) and "Private Rental Deposits" (April 2021 and January 2022). With issues related to **Property condition and noise** 13.9% (ranked 3) and retention of **Deposits** 8% (ranked 5) it was decided to explore these issues further.

Property condition and noise

The death of two-year-old Awaab Ishak owing to mould in rented property in Rochdale in December 2020 illustrates the seriousness of maintaining adequate housing conditions. The Observer (22 Jan 2023) reported that a tenant with incurable lung disease “caused by mould” is about to sue Hackney Council. This is a new development.

This issue is not restricted to the UK. Property condition and noise was the 3rd ranked issue in the list (14% of enquiries 38/274). In one case, it was reported that a tenant in Guernsey had been prescribed strong antibiotics because he had 'mould in his lungs'.

How can mould affect health?

- People living in homes with mould are more likely to suffer from respiratory illnesses, infections, allergies, or asthma.
- Mould can emit spores, cells, fragments and "volatile organic compounds" into the air.
- Inhaling or touching these spores can cause an allergic reaction, leading to sneezing, a runny nose, red eyes, and skin rashes.
- Mould can also trigger asthma attacks and cause coughing, wheezing and breathlessness.
- Those more at risk include the elderly and young children, people with existing respiratory illnesses and those with certain skin problems.
- Mould can be more dangerous for people with a weakened immune system, either due to illness or because of the medication they are taking.

Source: Dr Andy Whittamore, clinical leader at [Asthma & Lung UK](#)

In Guernsey, the Office of Environmental Health and Pollution Regulation (**OEHPR**) has the responsibility, under public health legislation, to determine whether domestic properties are fit for humans to live in. The **OEHPR** published an information sheet in February 2023 entitled “Damp and mould in rented homes” setting out the responsibility of tenants and landlords. In addition, the **OEHPR** is responsible for assessing the structural standards of accommodation, officers will consider overcrowding, nuisance and other issues that can affect domestic residences (e.g., radon exposure).

Concern over acceptable housing standards is not unique to Guernsey. It is logical to require knowledge of the ownership of a property to enforce minimum standards. The establishment and maintenance by the Committee of a register of landlords of rental housing is included in the recent enabling legislation in Guernsey. Jersey is considering a similar approach⁴.

⁴ It was reported in the Bailiwick Express on 19th January 2023 that in 2018 in Jersey the former Housing Minister, Anne Pryke, lodged proposals to introduce minimum standards for social housing and to establish a register of all social housing providers. It seems there is to be further debate in 2023 about the need for a register of all residential landlords. Whilst much has been done since 2018 to improve the standard of rental property in Jersey there remains outstanding issues not least knowing who all the landlords are, and the quality of the let accommodation. Consideration may be given to establishing a commissioner for social housing in Jersey.

Deposits

Of the clients who contacted Citizens Advice reporting issues about Private Tenancy Leases, 22 of them also reported issues concerning their Deposit.

N.B. There is a separate line of enquiry code for Deposits, therefore in this report not all deposit enquiries have been analysed. However, of the 22 clients from this dataset it is evident that the management of deposits remains an issue of concern.

At the time of the last States elections, Citizens Advice Guernsey informed candidates that it felt that both tenants and landlords would benefit from a deposit protection scheme. At that time, it was suggested that deposits should be held by a third party who would arbitrate over disputes and provide a resolution within a fixed time frame. The Guernsey Private Residential Landlords Association (GPRLA) wrote to all Deputies on 19 October 2021 saying that they did not see any need for a deposit scheme [Letter from GPRLA to States Deputies – Guernsey Landlords](#).

The enabling legislation for “The Housing (Standards and Regulation) (Enabling Provisions) (Guernsey) Law, 2021” was approved and encompasses this issue under section (e) the establishment and operation of a deposit protection scheme in respect of rental housing.

The nature of a future Guernsey scheme is still to be confirmed. The UK (2007) and Jersey (2015) have both introduced specific schemes with deposits held by third party specialists.

Citizens Advice Guernsey reported in January 2022 that it supported the introduction of a scheme with set deadlines for repayment, especially for cases where a landlord appears to withhold the deposit for an unreasonable long time.

The nature of any such scheme needs to be appropriate for the Guernsey context. A “deposit protection scheme” could be a legislated arrangement based on the Guernsey Private Residents Landlords Association’s “Landlords Guide to Residential Lettings and Code of Good Practice”. (Extracts are provided in Appendix 2).

Alternatively, a scheme could follow the Jersey or the UK model, using an independent deposit protection service such as “mydeposits” (Appendix 3).

CONCLUSION

At Citizens Advice we appreciate that the number of clients who contact us regarding lease issues, represent a small proportion of all those who rent, and that most Landlords treat their Tenants fairly and with respect. However, this does not alter the fact that there is no legislation in place to protect Tenants from those Landlords who do not, and indeed to protect Landlords from damage and potential financial loss caused by Tenants.

As stated above the scope of The Housing (Standards and Regulation) (Enabling Provisions) (Guernsey) Law 2021 include reference to provisions in bold.

(a) the assessment by specified persons of the quality of housing, and its fitness for human habitation,

(b) the specification, publication, and enforcement of minimum standards for rental housing

13.9% of lines of enquiry (38) concerned conditions of the property. This suggests that legislation would be of benefit.

(c) the licensing by the Committee of landlords of HMO housing,

Although the data set was small, the issue of non-agreed access was reported by tenants especially in HMO.

(d) the establishment and maintenance by the Committee of a register of landlords of rental housing,

The requirement of a register did not feature in the data collected. But to manage what is proposed a register would be required.

(e) the establishment and operation of a deposit protection scheme in respect of rental housing,

The proposed general housing law refers to the “establishment and operation of a deposit protection scheme”; it states: *2. (1) In this Law - "deposit protection scheme" means a scheme or arrangement which protects rental deposits paid by tenants to landlords, and "deposit" shall be construed accordingly.*

Of the 274 lines of enquiry for Leases, Deposits were also raised in 8% (22) of cases. The previous report by Citizens Advice on the specific issue of deposits supports the introduction of a deposit scheme.

It is not yet known when the new Housing Law will finally come into effect but as stated on the final page: “This Law shall come into force on the day appointed by Ordinance of the States; and different dates may be appointed for different provisions and for different purposes.”

This suggests that different provisions could be enacted at different times. For those experiencing problems related to rental deposits which are often several thousand pounds, that provision clearly needs to be enacted at the earliest opportunity.

(f) the obligations and rights of landlords and tenants.

Given that this report is entitled “Leases” there is substantial evidence that there are many concerns over clarity of mutual obligations. 5.5% (15) of the lines of enquiry relate to an absence of a written lease. Many leases had been rolled forward year on year and the paperwork was never updated or lost over time. Clarification of obligations would assist establishing Landlord and Tenant responsibilities.

(g) the protection of the public from threats to public health resulting from poor quality housing, including (but not limited to) the making of orders by the Committee mandating the demolition and clearance of dwellings where necessary for that purpose.

The impact of maintaining adequate housing conditions and the impact on health is becoming increasingly understood. The protection of public health is an overarching States responsibility. A combination of actions from the clarification of minimum standards to maintaining a register of properties is supportive of this objective.

To conclude, as to what form this legislation will take is yet unknown. However, the analysis of “Leases” data supports the early introduction of the provisions indicated in a) to g).

March 2023

About Citizens Advice Guernsey

Citizens Advice Guernsey is a local resource available to all and covers a diverse range of issues. At the point of access, it provides free independent local advice about any subject. We have built up a large depository of information to help assist with the issues that affect clients. This body of information and practical application enable Citizens Advice to assess the trends that may arise in specific areas of interest for a broad range of external bodies.

Appendix 1

[Residential Property \(Housing\) Stock and Prices - States of Guernsey \(gov.gg\)](https://gov.gg)

Local Market

		Mean average (all residential properties, realty only, topped and tailed by 2.5%, from 1992)	Median average (all residential properties, realty only, middle value, from 1999)
2022	Q1	£589,323	£531,375
2022	Q2	£624,437	£599,813
2022	Q3	£639,303	£612,788

Format of data changed

The mix adjusted average purchase price for the Local Market properties transacted during the fourth quarter of 2022 was £638,267, 1.4% higher than the previous quarter, 15.9% higher than the fourth quarter of 2021 and 51.6% higher than five years previously.

Local Markets rental

		Mix adjusted average (all residential properties, weighted by type and number of bedrooms)	Index (base 100 at Q4 2009)
2021	Q1	£1,498	118.7
2021	Q2	£1,593	126.2
2021	Q3	£1,599	126.7
2021	Q4	£1,650	130.8
2022	Q1	£1,661	131.7
2022	Q2	£1,817	144.0
2022	Q3	£1,726	136.8

The mix adjusted average rental price for Local Market properties was £1,725 per calendar month in the fourth quarter of 2022, the same as the previous quarter, 4.5% higher than the fourth quarter of 2021 and 35.7% higher than five years previously.

Open Market

		Median average (all residential properties, realty only, middle value, from 1999)	Number of transactions
Date		Median	Transactions
2022	Q1	£1,216,313	26
2022	Q2	£1,366,843	19
2022	Q3	£1,576,345	23

Format of data changed

The raw median price (realty only) of the 28 Open Market transactions in the fourth quarter of 2022 was £1,755,000, compared with £1,584,375 in the fourth quarter of 2021

[Guernsey Population 2022 \(worldpopulationreview.com\)](https://worldpopulationreview.com/guernsey-population-2022)

csv JSON

Year	Population	Growth Rate	
2022	63,301	0.55%	
2021	63,065	0.48%	
2020	62,794	0.69%	
2019	62,365	0.77%	

Appendix 2

Extracts from the GPRLA “A Landlords Guide to Residential Lettings and Code of Good Practice”

Commencement of a Lease: Holding a Deposit

Once a prospective Tenant’s application has been accepted, it is traditional to take a deposit (usually the equivalent of one month’s or one quarter’s rent) to secure the property while references are collected. This is refundable should a landlord decide not to proceed. The deposit will be held by the Landlord for the term of the Lease against damage to the property and will be returned, subject to inspection of the property, after the Tenant vacates at the end of the term. It is important the Tenant understands the deposit cannot be used as the final rental payment. This should be clearly stated in the Lease.

It should be remembered that the deposit is unlikely to be enough to cover any serious damage.

The GPRLA recommends holding deposits in a separate account from other monies.

Return of Deposit

Once a final inspection has taken place and any matters arising dealt with, the Landlord must return the full or, if deductions have been made, the remainder of the deposit. The Landlord, as part of best practice, should be able to provide receipts or quotes for any works that need carrying out and the costs of which will be deducted from the deposit.

Appendix 3

Information about the deposit scheme used in Jersey

[Tenancy deposit protection for Jersey | mydeposits Jersey](#)

Cost of placing a deposit in mydeposits Jersey

It costs £21 (including GST) to place a deposit in the scheme. This will be taken out of the tenant's deposit.

How your deposit is protected.

Your deposit will be transferred to a regulated bank and held in an account until it is due to be repaid at the end of the tenancy.

Your deposit will be protected:

- if your landlord or agent goes out of business
- in the event of any claim against *mydeposits*
- in the event of bank failure

Confirming your deposit protection

When a deposit is placed in mydeposits, both landlords and tenants will receive confirmation that the deposit has been protected.

This includes information about:

- how much deposit has been paid in
- how to get your deposit back at the end of your tenancy
- what to do if there's a dispute over the deposit

If you are a tenant and you believe any information provided by your landlord is incorrect, you should [email mydeposits Jersey](#).

Landlords' responsibilities

You must put your tenant's deposit in mydeposits within 30 days of receiving the money.

It's an offence to not put your tenant's deposit in the scheme and you could have to pay a fine of up to £10,000.

Getting a deposit back at the end of a tenancy

The landlord or tenant can apply to mydeposits to get the deposit back at the end of the tenancy.

You will need to tell them how much should be paid back and to who.

Mydeposits will write to you asking you to confirm if you agree with the application, or whether you want to dispute the amount. If you agree, mydeposits will repay the deposit out as agreed within five working days.

You should try to agree between yourselves how much deposit money should be returned to you before applying for the return of a deposit, as it could cause delays otherwise.

Disputing your deposit

Mydeposits offers a free dispute resolution service if you disagree about how much deposit money should be returned at the end of a tenancy.

You can also have your case heard by the Petty Debts Court.

Find out more about the dispute resolution service on the [mydeposits Jersey website](#).