

RENTERS (REFORM) BILL: KEY POINTS FOR LANDLORDS

WHAT IS HAPPENING?

The UK Government have introduced a Bill to the UK Parliament to change how private renting works in England. The most important thing to reiterate to your landlords is that Renters (Reform) Bill is not yet law. The Bill is the first step to bring the UK Government's plans into law.

What happens now?

The Bill is now subject to debate through Parliament.

Will the Bill change?

Yes, it is likely that the Bill will change with amendments tabled as the Bill goes through Parliament.

When the legislation come into force?

The changes are not expected to be implemented and come into force as law until 2024 at the earliest.

WHAT ARE THE KEY CHANGES BEING PROPOSED TO EVICTIONS?

Removal of Section 21 notices

This means that landlords will only be able to serve notice on tenants when they have reason to do so.

Expanding Section 8

The UK Government want to expand the grounds under Section 8, including if the landlord wants to sell or move back into the property. However, these grounds cannot be used during the first six months of the tenancy.

New grounds

The proposals include a new ground for repeated serious arrears, providing mandatory grounds for possession where a tenant has been in at least two months' arrears three times within the previous three years. Furthermore, notice periods for the existing rent arrears eviction grounds will increase to four weeks.

NB: Landlords should be aware that the Bill is not law yet, therefore, landlords can continue to serve Section 21 notices on tenants.

HOW WILL TENANCY AGREEMENTS CHANGE?

End of fixed term tenancies

The UK Government want to end fixed term tenancies and move to a system where all tenancy agreements will be periodic.

Periodic tenancies

These are tenancy agreements that roll on a month-by-month basis, with no end date. As a result, in the future tenancy agreements will only end when the landlord or tenant gives notice.

Two months' notice

Under the changes tenants will be able to give two months' notice to leave the property at any time, including when the tenancy has just begun.

WHAT IS THE IMPACT ON RENT INCREASES?

Removal of rent review clauses in tenancy agreements - landlord will only be able to increase the rent once a year, giving the tenant a two-month notice period.

WHAT IS ALL THE TALK ABOUT RENTING WITH PETS?

Right for the tenant to request a pet

Tenants will have the right to request a pet and landlords will not be able to unreasonably refuse. Guidance on what is considered a "reasonable refusal" will be available closer to the date when the Bill comes into force.

Pet insurance

The Tenant Fees Act 2019 will be amended to allow landlords to require tenants to get pet insurance that covers damage to the property. Tenants will need to take out pet insurance or the landlord obtains it and charges the cost back to the tenant.

WILL ALL LANDLORDS NEED TO JOIN A REDRESS SCHEME AND REGISTER WITH THE UK GOVERNMENT?

Private Rented Sector Ombudsman

The UK Government want all private landlords who rent out property in England to join a government-approved Ombudsman scheme to allow former or current tenants to make complaints against a landlord. The Ombudsman scheme is designed to be quicker than the courts system and prevent cases from escalating.

Portal of Landlords

The UK Government will first introduce a Private Rented Sector Database and then introduce a Digital Property Portal where landlords will need demonstrate compliance with their legal requirements.

WHAT CAN LANDLORDS DO?

Propertymark is lobbying the UK Government to amend these proposals to ensure they work for landlords and are implemented in a fair and proportionate way.

We have concerns about the removal of the fixed term and the impact on the student sector in particular, the need for the court system to be reformed before Section 21 is removed and the need for more mandatory grounds including breach of contract, persistent late payment of rent, acquiring a tenancy by using false identification, damage over the amount of the deposit and a tenant refusing access to property.

COMPLETE PROPERTYMARK'S LANDLORD SURVEY

Help us provide more data and information to Ministers, government officials and politicians.

In order to ensure the specific details and policies within the Renters (Reform) Bill work in practice for those on the ground, whilst providing security and fairness for both parties of the rental agreement, we need agents and landlords to provide feedback on the proposals.

Propertymark agents can support the campaign by sharing our landlord survey with their clients so we can tackle unintended consequences, tell policy makers how the reforms will impact the sector going forward and what needs changing.

<https://r1.dotdigital-pages.com/p/Z6K-175L/renters-reform-bill-landlords-survey>

CONTACT LOCAL MP

Landlords can support Propertymark's campaign by contacting their local MP via email or social media. Ask them to raise this issue with the Secretary of State for Levelling Up, Housing and Communities or ask for a meeting where you can explain your concerns.

Find out who your MP is here: <https://www.writetothem.com/>

Some key points to include in your email:

- Make sure your MP knows you are a constituent and a landlord, include your postcode in the message.
- You use a Propertymark letting agent - the UK's leading professional regulatory membership body for property agents with over 17,000 members.
- You believe there are many areas in the Renters (Reform) Bill that will help to bring about positive change but there are several areas that you feel need strengthening.

It works best when you also include your own personal thoughts on the proposals and what you are seeing locally. Please let the Policy and Campaigns Team know after you have sent your email and received a response. Email: policy@propertymark.co.uk

August 2023