

Renters’ Rights Bill

The Renters’ Rights Bill was introduced on 11 September 2024 to the House of Commons for its first reading.

Much of its content will be familiar to those who followed the progress (and eventual abandonment) of the previous government’s Renters’ (Reform) Bill, but this new bill contains a number of significant differences in its attempt to, in the words of Angela Rayner, “rebalance the relationship between tenant and landlord.”

KEY FEATURES OF THE NEW BILL

Some of the most eye-catching provisions include:

- Abolishing Section 21 “no fault” evictions. This is achieved by ending AST’s and turning them into periodic assured tenancies, with a term of no more than one month. However, there are no transitional provisions for current AST’s.
- New grounds of possession will be introduced for where a landlord wants to sell or family members want to live in the property.
- For rent arrears, a very common ground for seeking possession, the required period of notice of arrears at service of the notice and at the hearing has been extended for two to three months under ground 8. The notice period has also been extended from two weeks to four weeks.
- Restrictions on in-tenancy rent increases by permitting only one increase per year to a maximum of “the market rate”.
- Giving tenants the right to request a pet which cannot be “unreasonably” refused. Landlords will be able to request the tenant take out insurance to cover any damage caused.
- Introducing fines for landlords renting properties which do not meet a “decent homes standard” and strengthening the enforcement powers of local authorities.
- Extending Awaab’s Law to cover the private rental sector. This will introduce legal timeframes within which landlords must make homes containing serious hazardous materials safe. Currently Awaab’s Law applies only to social housing.
- Ending bans on renting to tenants on benefits and/or with children.
- Curbing rental bidding wars by requiring landlords and letting agents to publish an asking rent and then banning the practice of encouraging and accepting higher bids.
- Enabling tenants to end the tenancy within two months of starting the tenancy.
- Rent Repayment Orders will be extended to superior landlords and the penalty will be doubled.

RESPONSE FROM THE SECTOR

Whilst many of the reforms have been expected, others are new and there will be uncertainty as to how they will work in practice.

One of the reasons why the abolition of section 21 notices had been delayed previously was the widespread concern regarding the delays in the county court system, which is already at breaking point. Whilst the current government has made clear their priority to reform the private rental sector as quickly as possible, they have not as yet addressed the issue of court reform.

The proposed two-month cooling off period has also raised concerns. At present, tenants have to be in place for at least six months before they could exit a tenancy. Landlords are concerned that such a short time frame could result in rented properties being used by tenants as holiday lets with new tenants simply needing to serve notice at the start of the tenancy.

There may of course be further amendments as the bill passes through parliament but what seems clear is that section 21 will soon be history.

.....
If you would like to discuss the contents of this briefing further, please contact:



LIAM HALE
.....
Partner
+44 (0)20 7593 0346
lhale@wslaw.co.uk



MARY WALSH
.....
Legal Director
+44 (0)20 7593 5112
mw Walsh@wslaw.co.uk

.....
This briefing note is not intended to be an exhaustive statement of the law and should not be relied on as legal advice to be applied to any particular set of circumstances. Instead, it is intended to act as a brief introductory view of some of the legal considerations relevant to the subject in question.