

Private Renters Reform Bill

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Background



- Introduced to Parliament on 17 May 2023.
- The Bill sets out to:

“...make provision to change the law about rented homes, including provision abolishing fixed term assured tenancies and assured shorthold tenancies; imposing obligations on landlords and others in relation to rented homes and temporary and supported accommodation; and for connected purposes.”

- The Bill intends to provide tenants with enhanced protection against indiscriminate rent increases, protection against sub-standard rental properties and ‘no fault’ evictions. For landlords, it will give them greater powers to evict tenants who are anti-social or who have rent arrears.
- This follows in the wake of the June 2022 White Paper: [A Fairer Private Rented Sector publishing.service.gov.uk](https://www.publishing.service.gov.uk) which set out the government’s intentions to reform the PRS sector and to ‘level up housing quality’ providing the biggest overhaul of the PRS for over 30 years.
- **The Bill presents no changes to council tenants.**



Headline measures in the Bill (1)



- **The abolition of section 21 'no-fault' evictions** (purpose-built student accommodation will usually be exempt from these charges).
- **The end of assured and assured shorthold tenancies** – replaced with **periodic assured tenancies** (*rolling tenancies with no fixed end date*). If passed, this will apply to all new tenancies entered into after the Bill comes into force. All existing tenancies will transition to the new regime later.
- The Housing Act (1988) will be amended to make it clear **that fixed-term tenancies of seven years or more** (*i.e., long leases*) **cannot be assured tenancies**. This will change the position for how existing shared ownership leases can be ended, although there will be some transitional protection where possession proceedings have already commenced based on a notice of seeking possession.
- Private sector landlords and registered provider landlords of accommodation that is not social housing (*i.e., market rent lettings*) must give tenants **a written statement**:
 - **of tenancy terms** that are to be specified in regulations to be made under the Housing Act 1988
 - **that the landlord proposes to have the ability to recover possession on certain grounds for possession** as set out in schedule two to the Housing Act 1988 (which are to be significantly amended)
 - **of other information about the tenancy, the property, the parties and the rights of the parties** - this will be specified in future regulations to be made under the Housing Act 1988.



Headline measures in the Bill (2)



- **Changes to grounds for possession:** there will be a total of 41 Grounds for possession, retaining some of the current grounds and adding new grounds which include:
 - **A new Ground (1A) for landlords who wish to sell their property which incorporates and amends the existing right for a landlord to obtain possession where the property is to be used by them or their spouse or civil partner. This will be expanded to include close family members. These grounds will not be available to be used in the first 6 months of a new tenancy. After the tenant has moved out, the landlord must wait three months before letting or advertising to let the property.** ~~If not, they could face a £5,000 penalty, issued by the local authority.~~
 - **A new mandatory ground for repeated serious rent arrears and expands the discretionary eviction ground to clarify that any behaviour 'capable' of causing 'nuisance or annoyance' – the present wording of Ground 14 is "likely to cause" – can lead to eviction.**
- **Rent increases:** Landlords will be able to raise rents once every year to market prices and must provide two months' notice of any change (section 13 presently allows for one month notice). Tenants will be able to challenge above-market rent increases via the First-tier Tribunal (Property Chamber).
- The introduction of a **Private Rented Sector Ombudsman.**
- The creation of a **Privately Rented Property Portal** to provide landlords and tenants with better information to inform their decision-making.
- **New enforcement duties on local housing authorities to enforce the landlord legislation in its area**
- **Pets:** Clause 7 of the Bill also provides for a substantial amendment to the Housing Act 1988 to allow tenants to request consent to keep a pet.



What's missing from the Bill?



- The introduction of a **Decent Homes Standard for the Private Rented Sector**, which will stipulate how **properties must be free from serious health and safety hazards (such as fall risks, fire risks, or carbon monoxide poisoning)**, and that they do not fall into disrepair.
- The government also intends to **make it illegal for landlords and agents to have blanket bans on renting to tenants in receipt of benefits or families with children**, this is likely come at a later date with legislation to follow.
- Clarification and information for local authorities on how the Decent Homes standard will be applied to the Private Rent Sector, the new Private Renters Ombudsman and the digitized landlord portal.
- No dedicated housing court but the government has said that it is “ working in partnership with the Ministry of Justice and HM Courts and Tribunal Service to ensure that, in the small proportion of tenancies where court action is required, **court users can use a modern, digital service...we will align the abolition of section 21 and new possession grounds with court improvements.**



Implications and Risks (1)



- **The government has yet to address the lack of affordable and social housing in England.** Neither has it considered imposing rent controls on the private rented sector. **While the abolition of section 21 of the Housing Act (1988) is welcome, the ban on no-fault evictions could lead to an increase in Section 8 evictions, which go through the court system.**
- The abolition of fixed term tenancies in the private rented sector means that all tenancies will be periodic offering greater security of tenure. Homelessness legislation will change to reflect this and because of the removal of s21, the **reapplication duty will no longer be relevant.** This change will streamline the management of re-approaches and make sure there is no differential treatment between those who have had their homelessness duties discharged through accommodation in either the private rented or social housing sector, all applicants will be treated according to their current circumstances at the point of approaching.
- The end of Section 21 **may lead to landlords leaving the Private Rental Market, potentially decreasing further the supply of Private Rented Accommodation.** Landlords have already left the sector after a series of tax changes in recent years have made it more financially punitive against them, and the pain has been felt by tenants. The Bill will broaden the list of disruptive activities that can lead to eviction and notice periods will be reduced where tenants have breached their tenancy agreement. **This does however raise questions about what will now constitute anti-social behaviour and how a landlord must evidence this.**
- **Less scrupulous landlords could potentially manipulate the grounds in Section 8 which allows evictions on the grounds of rent arrears or ASB that the Bill intends to reduce the notice period for.** An increase in landlords serving this type of notice could mean that renters may struggle to get accepted by a new landlord and could be asked for something like 12 months' rent up front to "mitigate risk".
- Reduction in notice period on the grounds of anti-social behaviour. **The government will need to introduce guidance to both landlords and the courts to define what triggers these type of evictions and the evidence bar.**



Implications and Risks (2)



- The use of the new ground for possession when a landlord or their family wants to move into the property or to sell raises the question **of how will councils know if the landlord has circumvented the new safeguards** – the Bill sets out that the landlord must wait three months before letting or advertising to let the property – **will this be up to the tenant to inform the council, or will this be registered on the new portal?**
- Increased enforcement powers for councils are welcome, as is the implementation of a Decent Homes Standard in the PRS **but the diminished workforce in Environmental Health Services across the country and a lack of qualified officers available in this sector will place further pressures on resources within the council's Environmental Health team.** Environmental Health Officers will have increased work arising from the implementation of the Decent Homes standard in the PRS, notwithstanding the additional pressures of investigating complaints concerning damp and mould and fire safety.
- The Government has not assessed **what the financial implications are for the local authorities**, and it is not known if there will be 'new burdens' funding from the government to contribute to these additional cost pressures arising from new enforcement powers.
- Detail on improvements to the court system remain vague. In supporting guidance, the government says that it is also seeking to align the abolition of section 21 and new possession grounds with "court improvement" including **"end-to-end digitisation of the process"** .**There is concern as to whether courts will be able to cope with the rise in cases this Bill will create, even with increased digitisation.**
- With a General Election on the horizon there is limited time for the Bill to progress through parliament. **How quickly it progresses will depend on the number of amendments at the various stages and how the government chooses to prioritise parliamentary time.**



Timing of Legislation



- While no official date has been confirmed by the government, it is estimated that the Renters Reform Bill will come into law on 1 October 2024.
- The rationale for this estimate is on the premise that the Bill will be put forward to the Houses of Commons (to be debated and voted on) in May 2023. It could take around a year to become a parliamentary act, which takes us to May 2024.
- The act is unlikely to become law until the 1 October 2024 because in the UK, new legislation normally becomes law on either the 1 April or the 1 October each year. This means that the likely date on which the Renters (Reform) Bill will become law is 1 October 2024.
- The government has however made it clear that where it intends to move Assured Tenancies and Assured Short-hold tenants on to periodic assured tenancies there will be a 'grace' period of six months from the implementation of the Act for private landlords to ensure that all new tenants receive periodic tenancies. All existing tenants should be placed on periodic tenancies within 12 months from the implementation date.



Further reading and information



- Progress of the Renters (Reform) Bill [Renters \(Reform\) Bill - Parliamentary Bills - UK Parliament](#)
- Renters (Reform) Bill, as published 17 May 2023: [Renters \(Reform\) Bill \(parliament.uk\)](#)
- Renters (Reform) Bill (Explanatory Notes): [220308en.pdf \(parliament.uk\)](#)
- House of Commons Library: Research Briefing – Renters (Reform) Bill 2022-23 : [CBP-8756.pdf \(parliament.uk\)](#)

