

October 2024

Property Landlords update – Renters Rights Bill

Welcome to our monthly newsletter for property landlords. We hope you find this informative.

On 11 September 2024, the Renters Rights Bill was introduced in the House of Commons. This bill follows the Conservatives' Renters Reform Bill, which did not complete its passage through parliament before the General Election.

The bill applies to England only and can be viewed here:

<https://bills.parliament.uk/bills/3764>

The bill is similar to the previous government's bill but, as pledged in Labour's manifesto, it includes further measures.

The Renters' Rights Bill:

- Abolishes section 21 (no-fault) evictions - Labour will implement this new system in one stage, giving all tenants security immediately. Landlords will also benefit from more straightforward regulation and clearer and expanded possession grounds;
- Ensures possession grounds are fair to both the landlord and tenant. The bill introduces new safeguards for tenants, giving them more time to find a home if landlords evict to move in or sell, and ensuring unscrupulous landlords cannot misuse grounds. Landlords will be able to recover their property when reasonable.
- Provides stronger protections against backdoor eviction by ensuring tenants can appeal excessive above-market rents which are purely designed to force them out. As now, landlords will still be able to increase rents to market price for their

properties and an independent tribunal will make a judgement on this, if needed.

- Removes fixed term assured tenancies. Instead, all tenancies will be periodic, with tenants able to stay in their homes until they decide to end the tenancy, by giving 2 months' notice.
- Introduces a new Private Sector Landlord Ombudsman and a Private Rented Sector Database.
- Gives tenants strengthened rights to request a pet in the property. The landlord cannot unreasonably refuse a pet but can require pet insurance to cover any damage to their property.
- Applies the Decent Homes Standard and 'Awaab's Law' to the sector, both of which aim to make homes safer.
- Makes it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children.
- Ends the practice of rental bidding. Landlords and agents will be required to publish an asking rent for their property, and it will be illegal to accept offers made above this rate.
- Strengthen local authority enforcement and rent repayment orders by expanding penalties and introducing investigatory powers to councils.

There have been mixed reactions to the bill, with fears that a heavier compliance burden for landlords will only serve to increase rents.

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Furthermore, it appears that the ban on section 21 evictions will come into effect on the day the bill receives Royal Assent. The Conservatives previously said this measure could not be implemented until the court system was ready and there are concerns surrounding how the courts will cope once the bill becomes law.

Immediate impacts could be a noticeable wave of section 21 evictions before they are outlawed.

For tenants, the bill offers increased protection and goes further than the previous government's bill by applying the Decent Homes Standard and Awaab's Law to the sector.

For many, regardless of their opinions on the contents of the bill, it gives them clarity. The sector has experienced a long period of uncertainty and the bill's introduction can be viewed as 'the beginning of the end'. The bill is scheduled to be debated in parliament this autumn.