



## Renters Rights Bill mustn't damage market if good landlords are to thrive

November 2024

The much-heralded Renters Rights Bill passed its second reading in the House of Commons this month and has now reached the Renters Rights Bill Committee for further scrutiny.

At the second reading, Deputy Prime Minister and Housing Secretary Angela Rayner told the Commons she was “determined to get this bill into law as soon as possible.”

The new Government intends to move quickly to act on its commitment to reform the rental system.

The Bill sets out new legislation designed to give greater rights and protections to private renters. It goes further than the previous Renters' Reform Bill, which ran out of parliamentary time before the General Election.

Just as with the old Bill, though, the proposed abolition of Section 21, 'no fault evictions' is attracting the most attention.

Landlords are concerned about abolishing no-fault evictions, as we found in our survey. Landlords were particularly anxious over the loss of control of their property and the ability to remove problem tenants. They told us that abolishing no-fault evictions was a catastrophe for landlords. Landlords needed to be able to take back control of their property once the fixed term Assured Shorthold Tenancy has expired.

Furthermore, landlords thought that abolition was likely to see increased demand as courts heard possession claims and landlords looked to use Section 8 powers instead.

They shared common ground with many Conservative MPs in the last Government. Following pressure from Tory backbenchers, an amendment to the Bill would have made abolition contingent on improvements to the court process.

Instead, abolition will now happen as soon as the Bill comes into force. The Law Society has recently called for the Government to provide proper funding for the justice system to cope with the potential increase in eviction hearings in the short term.

But at least the new Bill provides some certainty for landlords after the many months of doubt, debate and delay before the General Election.

There is now clarity on how and when landlords can reclaim their properties which should be welcomed. The Bill sets out expanded possession grounds, including for when landlords want to sell or move in. Landlords can also take back student housing from student tenants, a measure based on an amendment to the old Bill.

Tenants will benefit from a 12-month protected period at the beginning of a tenancy, during which landlords cannot evict them to move in or sell the property. Landlords must also provide four months' notice when using these grounds.

As with the old Bill, landlords can increase rents once a year to the market rate. To do this, they will need to serve a 'section 13' notice, setting out the new rent and giving at least two months' notice of it taking effect.

However, tenants will be able to challenge proposed rents at the First-tier Tribunal, the workings of which the Bill also pledges to reform. Currently, tenants face the risk that the Tribunal may increase rent beyond what the landlord initially proposed. This will no longer be the case, so tenants never pay more than the landlord requested.

Backdating rent increases will also end. Rent increases by other means – such as rent review clauses – will not be permitted. In addition, the new Bill introduces laws to end rental bidding wars.

The Decent Homes Standard, currently only for social housing, will be applied to the private rental sector. The old Bill also proposed this, but the new Bill goes one step further by extending Awaab's Law to the private sector, too. This law sets clear legal expectations about the timeframes within which landlords in the private rented sector must take action to make homes safe where they contain serious hazards.

The Bill also includes provisions for a new database for landlords to share important information on their property standards, showing their compliance with the law and helping councils drive out the minority of criminal landlords.

No decent landlord objects to treating tenants fairly and some of the proposed reform is to be welcomed. But landlords need to be treated fairly, too, which means allowing them to retain control over their properties. Good landlords should be seen as part of the solution to the housing crisis and not the problem. No matter how the Bill comes out in the wash, the sector must continue to meet rising demand for rental properties. As a buy-to-let lender, we will continue working with brokers to support landlords.

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