

Renters' Rights Bill

Labour's proposed Renters' Rights Bill is currently making its way through parliament. It promises to bring significant changes to the UK rental market. This landmark legislation aims to 'deliver a fairer, more secure, and higher quality private rented sector for both tenants and landlords'.

Building on the Conservative government's Renters Reform Bill, Labour's proposals strive to create a more balanced relationship between landlords and tenants while addressing key issues affecting the rental market. The main elements of the bill are:

- 1. Ending Section 21 'No Fault' Evictions:** Landlords will no longer be able to evict tenants without a valid reason, offering tenants more stability in their homes.
- 2. Expanding Grounds for Possession:** Landlords will have broader legal grounds to reclaim their properties, such as for personal use or if they intend to sell, even with Section 21 abolished.
- 3. Strengthening Tenant Rights:** New protections will make it easier for tenants to contest unfair rent increases and pursue legal action when necessary.
- 4. Right to Request a Pet:** Tenants will be able to ask for permission to keep pets, and landlords must consider the request reasonably rather than refusing outright.
- 5. Decent Homes Standard:** A minimum standard for health, safety, and quality will now apply to all private rented properties, ensuring better living conditions.
- 6. Digital Rental Sector Database:** A centralised digital system will collect and share vital information for landlords, tenants, and local councils, improving transparency and compliance.
- 7. Private Rented Sector Ombudsman:** A new ombudsman service will provide faster, cheaper resolutions to disputes between landlords and tenants, without needing to go to court.
- 8. Banning Discrimination in Lettings:** It will become illegal for landlords to discriminate against tenants who receive benefits or have children when deciding who can rent their property.
- 9. Enhanced Powers for Local Authorities:** Local councils will receive greater authority to investigate and enforce compliance.
- 10. Introducing 'Awaab's Law' into the Private Rental Sector.** Aims to set legal deadlines for landlords to fix safety issues, ensuring rental homes are made safe promptly.



How will the Renter's Rights Bill Impact Landlords

Ending Section 21 'No Fault' Evictions and Expanding Grounds for Possession – “How will I be able to regain possession of my property?”

One of the most notable changes in the Renters' Rights Bill involves abolishing Section 21 “no-fault” evictions. Currently, landlords can evict tenants without giving a reason, creating uncertainty and instability for renters. The Bill eliminates this option, allowing tenants greater security in their homes by ensuring landlords cannot evict them without just cause.

The Bill will introduce new and expanded Section 8 grounds, allowing landlords to reclaim their property in specific cases, such as when they need to sell the property, move in themselves, or house close family members. The grounds for evicting tenants due to anti-social behaviour will be strengthened, making it easier for landlords to take action in cases where tenants are causing serious disturbances.

The previous Conservative government proposed measures to improve the court process as part of their Renters' Reform Bill. With the removal of Section 21 “no fault” evictions, there is a strong emphasis on ensuring landlords can regain possession of their properties more efficiently when using Section 8 grounds. The current Labour government has indicated a commitment to improving the court system as part of the broader housing reform. Whether this will happen before the Bill becomes law remains to be seen.

All fixed term tenancies will be abolished by the Bill. Instead, agreements will be periodic from day one. The Bill proposes that tenants will need to give landlords a notice period of two months to exit their tenancy under the new rules and notice periods of longer than two months will be made illegal.

Propertymark, a leading organisation representing letting agents, is advocating for a minimum tenancy length where tenants cannot serve notice during the first four months of their tenancy. This effectively creates a minimum tenancy term of six months, ensuring greater security for landlords while still offering tenants flexibility after the initial period. The proposal is designed to reduce frequent turnover in rental properties, providing landlords with more stability and reducing administrative burdens while still respecting tenants' rights to end a tenancy after a reasonable period. A fixed term benefits both parties, with security of tenure for the tenant and a guarantee of rent payments for the landlord so they can be confident they can cover costs.



Strengthening Tenant Rights – “Does this mean I can’t put the rent up?”

Although the government has not yet provided detailed specifics, the forthcoming Bill is expected to address the issue of “unfair” rent increases. There is no specific mention of rent controls within the Bill, which have been widely criticised for potentially negatively impacting the rental market. The Bill will likely include provisions to prevent excessive rent increases deemed unfair and abolish rent review clauses within agreements. With a bit of luck landlords will still be able to charge a fair market rent while providing tenants with a clearer, more accessible route to challenge increases they find unjustified. This could involve formal dispute resolution mechanisms, such as mediation or an ombudsman service, to address grievances without resorting to lengthy court procedures.

Right to Request a Pet – “Do I have to allow my tenant to have a pet?”

Landlords will no longer be allowed to impose a blanket ban on tenants having pets. Under the proposed Bill, tenants will have the right to request permission to keep pets, and landlords must consider these requests reasonably. However, there may be valid reasons for a landlord to refuse, such as if the property is too small for a large pet, if another tenant has a pet allergy, or if leasehold properties have a ‘no pets’ clause imposed by the freeholder, which would prevent anyone, whether a buyer or renter, from keeping pets. The Bill does include provisions to enable landlords to insist that the tenant takes out a pet insurance policy in the event they want to keep a pet in the property. The detail is yet to be clarified.

Decent Homes Standard & ‘Awaab’s Law’ – “Does this mean I have to upgrade my rental property?”

The Decent Homes Standard currently sets minimum quality standards for social housing in England and Northern Ireland. Originally included within The Renters Reform Bill White Paper it was eventually removed from the final version of the Bill. The Renters’ Rights Bill aims to bring this back by establishing a clear, pre-defined, basic standard of rental accommodation within the Private Rented Sector. It includes things such as ensuring a property is in a reasonable state of repair, having reasonable modern facilities and services and providing a reasonable degree of thermal comfort.

The Bill also intends to bring further advances to the standard of rental properties by applying Awaab’s Law to the Private Rented Sector. Awaab’s Law, introduced in July 2023 following the tragic death of Awaab Ishak from mould exposure in December 2020, will require the government to establish detailed regulations for its enforcement. Once these regulations are in place, landlords will be required to investigate reported hazards and complete necessary repairs within a specified timeframe.

Digital Rental Sector Database & Private Rented Sector Ombudsman – “Does this mean I have to use an agent?”

The Bill will introduce a centralised digital platform designed to improve the transparency and management of the rental market. The database will collect and store critical information about rental properties, landlords, and tenants. This includes details on property conditions, tenancy agreements, and compliance with regulations. With comprehensive records





available, the database can assist in resolving disputes between tenants and landlords by providing clear documentation of rental terms and property conditions. It aims to streamline processes for local authorities, landlords, and tenants. The introduction of such a database may render the Selective Licencing requirement defunct which could potentially be abolished as a result.

As things currently stand all regulated agents must be members of a redress scheme. The government is committed to regulating all estate and letting agents to ensure they have a basic qualification and adhere to certain standards and compliance regulations. The Bill proposes to extend this requirement to landlords even if they don't employ an agent. All landlords will need to sign up to a professional ombudsman. This will likely incur a cost, but the detail is yet to be released.

Banning Discrimination in Lettings – “Does this mean I have to accept any tenant?”

The Bill aims to ensure that low income families are able to find suitable accommodation when required. As such, it will become illegal for landlords to reject a prospective tenant based purely on the fact they have children and/or are in receipt of benefits. It is believed that landlords can still insist that tenants pass affordability criteria and that the property must be suitable for the number of children/occupants.

Enhanced Powers for Local Authorities

The Bill enhances local authorities' powers by giving them stronger enforcement capabilities to ensure landlord compliance with housing standards. Councils will have the authority to conduct inspections, investigate complaints, and impose penalties for non-compliance. They can also gather and analyse data on rental properties and landlords, enabling proactive measures and better coordination with other regulatory bodies. Additionally, these changes aim to improve tenant support by providing more resources and guidance.

Addressing Bidding Wars

The Renters' Rights Bill also targets the practice of bidding wars. In competitive rental markets, tenants often have to outbid each other to secure a property, leading to inflated rental prices. By addressing this issue, the Bill seeks to make housing more accessible and prevent tenants from being priced out of desirable areas.

Supporting Responsible Landlords

While the Bill focuses on improving tenant rights, it also recognises the important role responsible landlords play in providing quality housing. The government emphasises that landlords should have robust grounds for repossession when necessary. This balance protects landlords' interests while preventing unscrupulous practices that exploit tenants.

The new labour government has expressed its understanding of the important service landlords in the Private Rented Sector provide. In fact 45 of the 86 new labour MPs are landlords themselves.





How Will Labour's Renters' Rights Bill Impact Landlords?

For landlords, the new legislation presents both challenges and opportunities. Landlords must adapt to new regulations regarding evictions and rent controls, ensuring they practice fairness and transparency. However, the Bill also offers landlords a chance to differentiate themselves by providing quality housing and fostering positive tenant relationships. By embracing these changes, landlords can enhance their reputation and attract long-term, reliable tenants.

How Ello Property Can Assist Landlords

At Ello Property, we understand the challenges landlords face in navigating the evolving rental landscape. Our team helps landlords comply with new regulations by offering expert guidance and comprehensive property management guides. We advise on everything from updating tenancy agreements to implementing fair rent strategies that align with the new legislation. Our goal is to help landlords maintain profitable and sustainable rental businesses while providing high-quality housing that meets regulatory standards. By partnering with Ello Property, landlords can confidently adapt to these important changes, knowing they have support every step of the way.

Implications for the Rental Market

The Renters' Rights Bill offers increased housing security and affordability. By abolishing no-fault evictions renters gain more stability and predictability in their housing arrangements. This shift could create a more tenant-friendly market, where individuals and families can plan their futures with greater confidence.

Conclusion

Labour's Renters' Rights Bill marks a significant step forward in reforming the UK rental market. By addressing key issues such as no-fault evictions, rent increases, and bidding wars, the Bill aims to create a more equitable and balanced system for renters and landlords. As the Bill progresses through the legislative process, tenants and landlords must stay informed and prepare for the changes it brings.

Whether you are a tenant seeking greater security or a landlord navigating new regulations, the Renters' Rights Bill will reshape the landscape of renting in the UK, aiming for a fairer future for all parties involved.

