Renters' Rights Bill

The Renters' Rights Bill: the What, When and Why

A New Era for Renting: Balancing Rights and Responsibilities.

A significant transformation is on the horizon for the UK rental market. The eagerly anticipated Renters' Rights Bill is on the cusp of becoming law, promising to fundamentally reshape the relationship between landlords and tenants. From abolishing "no-fault" evictions to empowering renters with greater security and improved living standards and restricting rents, this landmark legislation is sold by the Government as delivering a fairer, more transparent, and stable private rented sector for millions. For many landlords, however, the Bill feels like a regulatory straitjacket, diminishing their ability to manage their investments effectively and ultimately threatening to shrink the very rental market tenants rely on. Whatever your take on it, understanding the Bill's implications will be key for landlords, tenants and lenders navigating this evolving landscape. In this article we seek to provide a comprehensive overview of the What, When and Why of the Bill.

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1. What is the purpose of the Renters' Rights Bill?

The Bill aims to transform tenant rights by introducing vital protection and fairness in the private rented sector. Key reforms include:

- Abolition of Section 21 "no-fault" evictions but with strengthened Section 8 grounds for eviction (e.g. landlord is selling or redeveloping the property).
- Transition to periodic tenancies, ending fixed term assured shorthold tenancies (ASTs).
- Longer notice periods and restrictions on re-letting after an eviction on certain grounds.
- Restrictions on rent increases, including a ban on rental bidding wars and requirements for rent to be stated upfront.
- Prohibition of discrimination against tenants with children or those receiving benefits.
- Introduction of a Decent Homes Standard for rental properties.
- Establishment of a private rented sector database and enhanced enforcement mechanisms.

2. What happened to the original proposed Renters (Reform) Bill?

The original Renters (Reform) Bill introduced by the Conservative government in May 2023 was not passed into law. It was abandoned during the parliamentary wash-up period ahead of the 2024 general election and was not included in the final legislative agenda before Parliament was dissolved.

3. When will the Renters' Rights Bill come into effect?

The current expectation is between October 2025 and January 2026.

Following the election, the new Labour government introduced the Renters' Rights Bill in September 2024, which is currently progressing through Parliament.

The Bill completed its Committee Stage in the House of Lords on May 15, 2025. This stage involved a detailed line-by-line examination of the Bill and the proposal of amendments.

Having passed the Committee Stage, the Bill now moves to the Report Stage, where the House of Lords will have a further opportunity to consider and vote on amendments. It will then be sent back to the House of Commons for consideration of any amendments made. If both Houses agree on the final text, the Bill will then receive Royal Assent and become law.

The government has indicated its intention to see the Bill pass into law before the summer recess. The effective date, when the new rules will apply, is expected to be several months after the Royal Assent, possibly between October 2025 and January 2026.

4. What reforms does the Renters' Rights Bill introduce?

The Bill introduces comprehensive reforms to England's private rented sector, aiming to enhance tenant protections and improve housing standards:

Tenancy Reforms

Abolition of Section 21 "no-fault" evictions: Landlords will no longer be able to evict tenants without providing a valid reason.

An end to fixed term tenancies: All new and existing assured tenancies (including ASTs) will transition to periodic (rolling) agreements, eliminating fixed-term contracts.

Rent arrears provisions: Eviction due to rent arrears requires tenants to be at least three months behind on payments, with landlords needing to provide four weeks' notice.

Expanded grounds for possession: In addition to rental arrears and other breaches of the tenancy agreements, landlords can seek possession if they or a family member intend to occupy or redevelop the property, or if they plan to sell it. However, these grounds cannot be used within the first year of tenancy, and landlords must provide at least four months' notice.

Rent Regulation

Limitations on rent increases: Rent can only be increased once per year and must reflect market rates. Tenants have the right to challenge excessive increases through an independent tribunal.

Ban on rental bidding wars: Landlords and agents are prohibited from advertising properties at one price and accepting higher offers from prospective tenants.

5. What are the new Section 8 grounds for possession that landlords can use to evict tenants?

Landlords will be prohibited from evicting tenants through the use of Section 21 "nofault" notices. Instead, they must utilise an expanded list of Section 8 possession grounds, which remain categorised into mandatory and discretionary grounds. There are a number of different grounds; the main ones are set out below.

Mandatory Grounds

The court *must* grant possession if the ground is proven.

i. Serious rent arrears (Ground 8A)

- Tenant has at least 3 months' unpaid rent at the time of notice and hearing (increased from 2 months under previous rules).
- 4 weeks' notice required (up from 2 weeks under the previous rules).

ii. Repeated rent arrears (new Ground)

- Tenant has been in at least 2 months' arrears on three occasions within the past 3 years (even if not in arrears now).
- Designed to tackle chronic late payers.

iii. Property sale (new Ground)

• Landlord (or receiver) intends to sell the property.

- Cannot be used within the first 12 months of a tenancy.
- Requires at least 2 months' notice.
- Property cannot be re-let for 12 months after regaining possession.

iv. Landlord/family occupation (revised Ground 1)

- Landlord or close family member intends to move in.
- Also subject to the 12-month protected period from tenancy start.
- Requires 2 months' notice.
- Will not apply where the landlord is a company.
- Requirement for notice to be given to the tenant before the date of the tenancy that landlord may rely on this ground has been removed.

v. Repossession by mortgage company (revised Ground 2)

- The mortgagee wishes to sell the property with vacant possession.
- No longer a requirement the mortgage was entered into before the tenancy, so will be available even if landlord has refinanced during the tenancy.
- The requirement for prior notice to the tenant to rely on this ground has been removed.

vi. Enforcement action against the landlord (new Ground 6B)

- Landlord needs to end a tenancy because it is unlawful for them to maintain the tenancy due to enforcement action e.g. banning order, overcrowding, revocation of an HMO licence.
- Court can order landlord to pay tenant compensation.

vii. Serious anti-social behaviour (Ground 7A)

- Proven serious criminal or antisocial conduct.
- Notice period may be immediate or 1 week, depending on severity.

viii. No right to rent (Ground 7B)

- Home Office has served notice on the landlord that the tenants have no right to rent due to immigration status.
- If it's a joint tenancy and the other tenant has a right to rent, the court can transfer the tenancy to that person.

Discretionary Grounds

The court *may* grant possession based on reasonableness.

i. Persistent late rent (Ground 11)

- Regular but not severe arrears.
- Still subject to court discretion and likely delays.

ii. Breach of tenancy (Ground 12)

- Any other breach (e.g. subletting without permission, property damage).
- Proof and fairness required.

iii. Deterioration of property/furniture (Grounds 13 & 15)

• Tenant or household has caused damage to the premises or furniture.

iv. Neighbour nuisance (Ground 14)

- Conduct has caused alarm, harassment or nuisance to neighbours.
- Shorter notice period possible (24 hours in serious cases).

v. Major works / redevelopment (new or revised Ground)

- Landlord needs vacant possession to substantially refurbish or redevelop the property.
- 2-4 months' notice required.
- Cannot be used in the first 6 months.
- The intended works cannot reasonably be carried out without the tenant giving up possession.
- Cannot be used by landlords who purchased the property with the tenants as sitting tenants.

Ground	Туре	Notice	Re-letting Restriction
Serious Rent Arrears	Mandatory	4 weeks	None
Repeated Arrears (3x in 3yrs)	Mandatory	4 weeks	None
Mortgagee repossession	Mandatory	4 months	None
Enforcement action	Mandatory	2 months	None
Property Sale	Mandatory	4 months	Not within 12 months of tenancy
Landlord Occupation	Mandatory	4 months	Not within 12 months of

6. How much notice needs to be given to a tenant to obtain possession?

			tenancy
Anti-Social Behaviour	Mandatory	Immediate	None
Other rent arrears	Discretionary	4 weeks	None
Breach of Tenancy	Discretionary	2 weeks	None
Damage to Property	Discretionary	2 weeks	None
Persistent Late Rent	Discretionary	2 weeks	None
Neighbour Nuisance	Discretionary	Immediate	None
Major Works / Redevelopment	Discretionary	4 months	Not within 12 months of tenancy

7. Will the requirements in relation to Gas Safety Certificates and Energy Performance Certificates that currently apply to the service of a valid s.21 notice apply to the service of s.8 notices?

No. Landlords will not be required to have supplied a tenant with a Gas Safety Certificate (GSC) or an Energy Performance Certificate (EPC) in order to serve a valid Section 8 notice for possession. This marks a significant departure from the current prerequisites for issuing a Section 21 "no-fault" eviction notice, which the new legislation will abolish.

While the new legislation will carry over some existing landlord obligations into the updated Section 8 process, the requirements concerning GSCs and EPCs will not be among them. Currently, a landlord cannot issue a valid Section 21 notice if they have not provided the tenant with these crucial safety and energy efficiency documents.

However, the requirement for landlords to protect a tenant's deposit in a governmentapproved scheme will be retained as a prerequisite for serving a valid Section 8 notice under the new rules.

This change means that while landlords will still be legally obligated to provide tenants with GSCs and EPCs at the start of a tenancy, a failure to do so will not, in itself, invalidate a subsequent Section 8 notice. Instead, such a failure would remain a breach of separate regulations, potentially leading to financial penalties for the landlord.

The new framework aims to streamline the eviction process for legitimate reasons, such as rent arrears or anti-social behaviour, while removing the "no-fault" eviction mechanism. The government's intention appears to be to focus the validity of a

Section 8 notice on the substantive grounds for possession, rather than on procedural technicalities related to the provision of ancillary documents.

Landlords must continue to comply with their legal obligations to provide GSCs and EPCs to avoid separate penalties, but they will not be a barrier to initiating eviction proceedings under the reformed Section 8 process. Tenants, in turn, will need to be aware that the absence of these certificates will not be a defence against a valid Section 8 notice.

8. Can I evict a tenant for arrears where they are in receipt of Housing Benefits?

The Bill specifically states that when calculating rent arrears for the mandatory Ground 8, any amount that is unpaid solely because the tenant has not yet received a Universal Credit housing element payment that is owed to them should be disregarded. This provides a degree of protection for tenants experiencing delays in their Universal Credit payments through no fault of their own.

With the mandatory ground for eviction based on rent arrears (Ground 8) increasing from the current threshold of at least two months' rent to at least three months' rent being unpaid, tenants will have more time for issues with housing benefit payments to be resolved before a mandatory eviction can be sought.

While a landlord can still seek eviction for rent arrears linked to housing benefit payment issues, the Bill introduces measures that aim to:

- Provide tenants with more time if there are delays in benefit payments.
- Prevent mandatory eviction solely due to delays in Universal Credit housing elements.
- Encourage courts to consider the reasons for arrears when using discretionary grounds.
- Promote a more understanding approach to tenants facing genuine difficulties with benefit payments.

However, it's crucial for tenants facing such situations to communicate proactively with their landlords, provide evidence of their housing benefit claim, and seek advice from housing support organisations to prevent arrears from escalating and potential eviction proceedings.

9. What restrictions will there be on re-letting the property after eviction?

Some of the new Section 8 grounds carry specific restrictions on the landlord re-letting the property after it has obtained possession:

- **Ground 1A:** Landlord intends to sell up: If a landlord evicts a tenant based on an intention to sell the property, they will face a "restricted period" during which they cannot re-let or market the property for let. This restricted period lasts for 12 months from the later of:
 - The date the possession notice expires (which will be at least 4 months after the notice is served).
 - The date a claim form or particulars of claim are filed with the court to begin possession proceedings.
 - Therefore, the total period during which the property cannot be re-let could be longer than 12 months from the date the notice is served.
 - It's crucial to note that during this restricted period, the property cannot be let in any form, including as a holiday let or under a license to occupy.
- **Ground 1: Landlord or family intends to move in**: Similar to the sale of property ground, if a landlord evicts a tenant because they or a close family member intend to live in the property, a "restricted period" also applies. The landlord cannot re-let or market the property for let during the 12 months following the later of the notice expiry date or the date court proceedings begin.

These restrictions are designed to prevent landlords from misusing these "no-fault" based grounds for possession simply to evict tenants and then re-let the property to new tenants at a higher rent or under different terms shortly after. The aim is to provide greater security for tenants and prevent arbitrary evictions.

10. What notice does the tenant have to give to end the tenancy?

The Bill abolishes fixed-term assured shorthold tenancies, making all tenancies periodic (rolling) from the day the legislation comes into force. Accordingly, there will no longer be any minimum fixed terms.

Tenants will need to give a minimum of two months' notice to end their tenancy. Tenants will be able to serve this two months' notice at any point after the tenancy begins.

The notice must expire at the end of a rent period. For example, if rent is paid monthly on the first of the month, the tenant's two-month notice should end on the last day of a month. This means the actual notice period might be slightly longer than two months depending on when during the rent period the notice is given. A landlord and tenant can agree in writing to a shorter notice period if both parties consent. However, the default will be two months.

11. Can the tenant change their mind?

Unlike the current common law position, a tenant will be able to withdraw their notice to quit before the proposed termination date, but only if the landlord agrees.

12. Does the Renters' Rights Bill introduce rent control?

The Bill does not introduce traditional rent control. Rather than implementing government-mandated rent caps, it places restrictions on rent increases and bidding wars. The goal is to make renting fairer and more transparent for tenants, providing them with greater financial security and preventing unfair rental practices but to allow landlords to charge market rents.

The Bill aims to allow landlords to increase rent in line with market rates, so it is not a form of rent control that freezes or caps rents below market value. Landlords will still be able to increase rent to reflect changes in market conditions, but they will be subject to the new regulations regarding frequency, notice, and the tenant's right to challenge.

13. How do the rent restrictions work in practice?

- **Annual rent increases:** Landlords will be permitted to increase the rent only once per year. This aims to prevent frequent and unpredictable rent hikes that can make it difficult for tenants to budget and remain in their homes.
- **Market rate alignment:** Any rent increase must be in line with the current market rate for comparable properties in the area. This provision intends to prevent landlords from implementing excessive rent increases that are not justified by the prevailing market conditions.

- **Statutory notice for rent increases:** Landlords will be required to follow a specific procedure for increasing rent. They will need to serve a formal "Section 13" notice to the tenant, providing at least two months' notice of the new rent amount and the date it will take effect. This doubles the current statutory notice period of one month.
- **Abolition of rent review clauses:** Existing rent review clauses within tenancy agreements will become invalid. Landlords will no longer be able to rely on these clauses to increase rent during the tenancy. All rent increases will need to follow the statutory Section 13 procedure.
- **Tenant's right to challenge rent increases:** Tenants will have the right to challenge a rent increase they believe is above the market rate by applying to the First-tier Tribunal (Property Chamber).
 - The Tribunal will have the power to assess whether the proposed rent is in line with the market rate.
 - Importantly, the Tribunal will not be able to recommend a rent higher than what the landlord has proposed. This aims to reduce the risk for tenants challenging an increase.
 - The Tribunal will also have the power to delay the implementation of a rent increase for up to two months if they consider it would cause undue hardship to the tenant.
 - The rent will not increase until the next payment date after the Tribunal makes it determination. Given the current workloads of the Tribunals this could cause significant delays to rental increases and landlords may find tenants making tactical objections to a landlord's proposed 'fair' increase.
- **Rent period restrictions:** The Bill will stipulate that the rent period cannot be longer than one calendar month. This means that while rent can still be paid weekly or monthly, tenancy agreements specifying longer payment periods (e.g., quarterly) will automatically adjust to monthly periods.
- **Ban on rental bidding:** Landlords and letting agents will be prohibited from encouraging or accepting offers above the advertised rent. They will be required to publish a clear asking rent for the property and cannot accept bids from prospective tenants that exceed this amount. This aims to create a fairer and more transparent rental market.
- **Restrictions on rent in advance:** Landlords will be limited to requesting a maximum of one month's rent in advance.

14. Why are the rent restrictions being introduced?

- **Increase affordability and stability for tenants:** By limiting the frequency and extent of rent increases, tenants should have more predictable housing costs.
- **Prevent unfair or excessive rent hikes:** Linking rent increases to market rates and providing a mechanism for tenants to challenge increases aims to curb exploitative practices.
- **Promote transparency in the rental market:** Requiring advertised rents and banning bidding wars should make the process of finding a home fairer.
- **Modernise and standardise rent increase procedures:** Ensuring all rent increases follow a statutory process will create a more consistent framework.

15. Are tenants now entitled to keep a pet at their property?

The Bill makes it easier for tenants to have pets in their rented homes but does not introduce an automatic right for them to do so.

- Landlords cannot "unreasonably refuse" pets: The Bill grants tenants the right to request permission to keep a pet, and landlords will be legally obliged to consider these requests and cannot refuse them without a valid, justifiable reason. Blanket "no pets" policies will be outlawed.
- **Duty to consider each request:** Landlords must assess each pet request on its own merits, taking into account the specific pet and the tenant's circumstances. They can ask for information about the pet, such as its type, size, age, and temperament, as well as references from previous landlords or pet professionals.
- Valid reasons for refusal: While the bill doesn't provide an exhaustive list, examples of potentially valid reasons for refusing a pet could include:
 - The property being genuinely unsuitable for the specific pet (e.g., a large dog in a small flat with no outdoor space).
 - Restrictions on pets within the head lease of a leasehold property.
 - Well-founded concerns about the health and safety of other residents or the landlord (e.g., severe allergies).
 - Evidence of the tenant being an irresponsible pet owner or the pet having a history of poor behaviour or causing damage.

- Landlord's response time: Landlords will typically have 28 days to respond to a tenant's written pet request. They can request further information within this period, which may extend the decision deadline by another seven days after receiving the information.
- **Tenant's right to challenge refusals**: If a tenant believes a landlord's refusal is unreasonable, they will have the right to challenge the decision through the new Private Rented Sector Ombudsman.
- **Pet insurance:** Landlords will be allowed to require tenants to have pet insurance to cover potential damage caused by their animals. Alternatively, landlords might be able to increase the rent to account for the increased risk of wear and tear, but they cannot do both. The Tenant Fees Act 2019 will be amended to include pet insurance as a permitted payment.
- **Definition of "Pet":** The bill doesn't provide a strict definition of a "Pet," so it's likely to be interpreted broadly. It could range from a hamster through to a horse! However, the suitability of the pet for the property will be a key consideration.
- **Temporary pets:** Tenants will need to seek permission for any pet staying at the property, even if they don't own it (e.g. a visiting pet belonging to a friend or family member).

16. What can a landlord do to mitigate against the risks of pet damage?

Set clear pet policies: Landlords can include reasonable pet policies in the tenancy agreement, outlining expectations for pet behaviour, cleanliness, and any restrictions on the type or size of pets (where justifiable).

Insurance: Landlords will be allowed to require tenants to have pet insurance to cover potential damage caused by their animals. Alternatively, they may obtain their own insurance, which they can re-charge to the tenant.

Request pet references: Landlords can ask for references from previous landlords or vets to assess the pet's behaviour and the tenant's responsibility.

Conduct regular inspections: Regular property inspections can help identify any petrelated damage (or tenant-related damage!) early on.

17. What changes does the Renters' Rights Bill make to the Tenant Fees Act 2019?

The Tenant Fees Act 2019 was a game-changer for renters, eliminating most fees previously charged by landlords and agents. Its aim was to make the costs of renting fairer and more transparent.

Under the 2019 Act, landlords and agents can only charge for a limited set of items: rent, refundable deposits (with caps), holding deposits (with caps), payments for defaults (within limits), tenant-requested changes (with caps), early termination costs (based on actual losses), and utilities/council tax (if included in the tenancy).

Any attempt to charge prohibited fees can result in hefty fines and invalidate Section 21 notices. The legislation was designed to significantly reduce the upfront costs tenants face, making the rental market more accessible and equitable.

The Renters' Rights Bill expands upon these protections and introduces several amendments to the 2019 Act with the aim of further protecting tenants from unfair costs and ensuring greater transparency at the start of and during a tenancy. The key changes are:

• Prohibition of pre-tenancy rent payments:

- A significant change is the explicit banning of landlords and letting agents from requesting or accepting rent payments before the tenancy agreement has been signed by all parties and is in force. This aims to prevent situations where prospective tenants pay rent for a property they don't end up occupying.
- Landlords and agents are also prohibited from inviting or encouraging tenants to make such payments, even to a third party.
- Any clause in a tenancy agreement requiring pre-tenancy rent payments will be unenforceable.

• Pet insurance as a permitted payment:

In conjunction with the new rules making it easier for tenants to have pets, the Bill amends the 2019 Act to include pet insurance as a permitted payment. Alternatively, landlords may choose to increase the rent to account for the increased risk of wear and tear associated with pets, but they cannot mandate both pet insurance and a higher rent for this purpose. If the landlord arranges the pet insurance, they can pass the reasonable cost of this insurance on to the tenant.

18. Does the Renters' Rights Bill ban rent in advance?

No, but it restricts the amount the landlord can ask a tenant to pay in advance.

The "initial rent" payment (the first payment due under the tenancy) cannot be required before the landlord or agent has signed the agreement.

Furthermore, the Bill stipulates that the rent period cannot be longer than one calendar month. This means landlords will be unable to enforce clauses requiring tenants to pay rent quarterly or for any period longer than a month. Any such clauses will be null and void.

19. Does the Renters' Rights Bill affect lodgers?

No, lodgers are not covered by the new tenancy rules.

Currently, lodgers (individuals who live in the same property as their landlord and share living spaces like the kitchen or bathroom) typically have licence agreements, not an AST. This means they have fewer legal protections and can often be evicted with a shorter notice period, usually what is agreed upon in their licence agreement, or a "reasonable notice" if nothing is specified. The landlord does not need a court order to evict a lodger. They only need to give reasonable notice — typically the length of the lodger's rental period (e.g., one week).

However, it's worth noting that the Bill's emphasis on fairness and tenant security could indirectly impact lodgers, even if they aren't directly covered by the new rules. The principles of fairness embedded within the legislation could lead to a general shift towards more secure and fair treatment of lodgers by landlords, even if their agreements are still classified as licenses. For example:

Abolition of "no-fault" evictions: The spirit of abolishing Section 21 evictions suggests a move away from allowing landlords to evict tenants without a specific reason. While the legal framework for lodgers is different, there might be pressure to provide lodgers with more clarity and justification for eviction.

Emphasis on fair reasons for possession: The Bill strengthens Section 8 grounds for possession, which require landlords to demonstrate a valid reason for eviction (e.g., rent arrears, anti-social behaviour, landlord needing to move back in). It's plausible that these principles of needing a justifiable reason for eviction could influence how courts or future legislation view the eviction of lodgers, even if formal Section 8 notices aren't directly applicable.

Potential for increased scrutiny of "reasonable notice": If a licence agreement doesn't specify a notice period, the current standard is "reasonable notice." The Bill's focus on longer notice periods for assured shorthold tenants (e.g., four months for landlord's own use) might lead to a re-evaluation of what constitutes "reasonable notice" for lodgers, potentially extending it beyond the very short periods sometimes seen now.

20. Will Awaab's Law apply to the private rented sector?

Yes.

Initially, Awaab's Law was introduced through the Social Housing (Regulation) Act 2023, specifically targeting social landlords. However, the government has made it clear that they intend to extend these requirements to private landlords as part of the Renters Rights Bill.

- Purpose of Awaab's Law: Named after Awaab Ishak, who tragically died due to prolonged exposure to damp and mould in his social housing home, Awaab's Law aims to force landlords to investigate and fix serious hazards, particularly damp and mould, within strict time limits.
- **Phased implementation:** The law is being implemented in stages, initially for social landlords:
 - From October 2025: Social landlords must address damp and mould hazards within fixed timescales and address all emergency repairs within 24 hours.
 - **In 2026:** Requirements will expand to a wider range of hazards (e.g., excess cold/heat, falls, structural collapse, electrical hazards).
 - **In 2027:** The requirements will apply to all hazards defined by the Housing Health and Safety Rating System (HHSRS), excluding overcrowding.
- **Extension to private rented sector:** While there isn't a definitive date yet for when it will apply to private landlords, it is expected to mirror the phased rollout seen in the social housing sector. The government has stated it will consult on how best to apply Awaab's Law to privately rented homes in a fair and proportionate way for both tenants and landlords.
- Key requirements for landlords (expected to apply to the private rented sector):

- **Investigation:** Landlords will likely need to investigate reported hazards within a set number of days (e.g., 14 calendar days).
- **Repairs:** Once a hazard is identified, they will have to start repairs within a further specific timeframe (e.g., 7 calendar days for significant risks) and complete emergency repairs within 24 hours.
- **Alternative accommodation:** If repairs cannot be completed promptly and the hazard poses a significant risk, landlords may need to provide suitable alternative accommodation for the tenants.
- Record keeping: Landlords will need to maintain thorough records of all communications with tenants and contractors regarding reported issues and repairs.
- Consequences of non-compliance: Failure to comply with Awaab's Law will allow tenants to challenge landlords through the courts for breach of contract. Courts can order landlords to take action (e.g., immediate repairs) or pay compensation. Additionally, the new Private Rented Sector Landlord Ombudsman will provide another route for tenants to escalate complaints.

In essence, the Renters' Reform Bill, by incorporating Awaab's Law, signifies a major step towards enhancing the safety and quality of housing across both the social and private rented sectors in England. Private landlords will need to be prepared for stricter obligations regarding property maintenance and hazard remediation.

21. What Is the Decent Homes Standard?

The "new" Decent Homes Standard is the extension of a set of minimum housing standards, previously applied to social housing, to the private rented sector through the Bill. It aims to ensure that all rented homes are safe, warm, and in a reasonable state of repair, with modern facilities. A property will be considered "decent" if it meets four main tests:

- Meet the current statutory minimum standard for housing: This means being free from serious health and safety hazards as defined by the Housing Health and Safety Rating System (HHSRS). These hazards include things like damp and mould, excess cold, risks of falls, fire hazards, and electrical safety issues.
- **2. Be in a reasonable state of repair:** Key building components like the roof, walls, windows, doors, heating systems, and plumbing must be structurally stable and not in serious disrepair.

- 3. Have reasonably modern facilities and services: This includes:
 - A kitchen with adequate space and layout that is no more than 20 years old (this age stipulation might be reviewed for the private rented sector to be less prescriptive).
 - A bathroom with adequate space and layout that is no more than 30 years old (this age stipulation might also be reviewed for the private rented sector).
 - An appropriately located bathroom and toilet.
 - Adequate insulation against external noise where it's a problem.
 - Adequate size and layout of common areas in blocks of flats.

4. Provide a reasonable degree of thermal comfort: The property must have efficient heating and effective insulation to protect occupants from the cold. This includes things like gas or oil central heating, electric storage heaters, or similarly efficient systems, along with proper loft and cavity wall insulation where appropriate.

22. What are the key differences and considerations of the Decent Home Standard for the Private Rented Sector from the public sector?

- **Applying an existing standard:** The standard itself isn't entirely "new," but its application to the private rented sector is a significant change.
- **Potential adjustments:** There have been discussions and consultations about whether all aspects of the social housing standard are directly transferable to the private rented sector. For example, the strict age limits for kitchens and bathrooms might be adjusted to focus more on functionality and condition.
- **Enforcement:** Local councils will be responsible for enforcing the Decent Homes Standard in the private rented sector. The Bill aims to give them stronger powers to do so, including issuing civil penalties and potentially prosecuting non-compliant landlords.
- **Timeline:** The government plans to introduce the Decent Homes Standard to the private rented sector through a phased approach, with initial phases focusing on severe hazards like damp and mould with strict timelines for action.

23. How will the Decent Homes Standard be enforced?

Under the Bill, local authorities in England will be given enhanced enforcement powers to uphold the DHS in the private rented sector.

1. Local authority led enforcement:

- Proactive Inspections: While reactive complaints will still be crucial, local authorities (usually through their environmental health or housing standards teams) will likely increase proactive inspections in the private rented sector to identify non-decent homes.
- Responding to complaints: Tenants will have a clear route to report issues to their local council if they believe their home falls below the Decent Homes Standard. Councils will then be obligated to investigate these complaints.
- **Hazard Awareness Notices and Improvement Notices:** If a property is found to be non-decent, particularly if it contains Category 1 hazards under the Housing Health and Safety Rating System (HHSRS), the local authority can issue:
 - Hazard Awareness Notices: Informing the landlord of the hazard.
 - Improvement Notices: Legally requiring the landlord to carry out specific works to rectify the issues within a set timeframe.
- **Emergency remedial action:** In cases of severe and immediate danger, local authorities can take emergency action to carry out works themselves and then recover the costs from the landlord.
- Civil penalties (fines): This is a key strengthening of enforcement. Local councils will be able to issue civil penalties of up to £7,000 for breaches of the Decent Homes Standard, even minor or first non-compliance. This could increase to up to £40,000 for serious or repeat non-compliance. This provides a quicker and less resource-intensive enforcement option compared to criminal prosecution.
- Criminal prosecution: For serious or persistent non-compliance, or if a landlord fails to comply with an improvement notice, local authorities can still pursue criminal prosecution. This can lead to larger fines and potentially even Banning Orders.
- Banning Orders: In cases of serious offences, including those related to the Decent Homes Standard, landlords could face banning orders, preventing them from letting properties for a specified period.

2. Tenant-led action:

- Rent Repayment Orders (RROs): If a landlord is found to have breached the Decent Homes Standard (especially if linked to a Banning Order Offence or a successful prosecution by the council), tenants can apply to the First-Tier Tribunal for a Rent Repayment Order. This allows tenants to claim back up to 24 months' rent (an increase from the current 12 months in some cases).
- Breach of contract claims: The Renters' Reform Bill will give tenants a new right to take their landlord to court for breach of contract if the property falls below the Decent Homes Standard and the landlord fails to remedy the issues. This provides tenants with a direct route for redress.

3. The new Private Rented Sector Ombudsman:

- The Renters' Reform Bill also introduces a new Private Rented Sector
 Ombudsman. This independent body will handle disputes between tenants and landlords that cannot be resolved directly.
- Tenants will be able to complain to the Ombudsman about housing conditions, including issues related to the Decent Homes Standard. The Ombudsman will have powers to make binding decisions, including ordering landlords to pay compensation or carry out repairs. This provides a more accessible and less formal route for dispute resolution than the courts.

4. Property Portal:

- The Bill proposes the creation of a new digital Property Portal. While the exact role in direct enforcement is still being defined, it's intended to provide a central register of landlords and properties. This could:
 - Allow landlords to "self-declare" compliance with standards (with potential penalties for false information).
 - Provide local authorities with better data and intelligence to target enforcement efforts.
 - Increase transparency in the sector.

The enforcement framework for the Decent Homes Standard in the private rented sector represents a significant shift towards:

• **Proactive regulation:** Moving beyond purely reactive enforcement to encourage higher standards across the board.

- **Stronger deterrents:** With increased fines and the threat of RROs and banning orders, the financial consequences of non-compliance will be more severe.
- **Greater tenant empowerment:** Providing tenants with clearer routes to report issues and seek redress, both via local authorities and directly through the courts or the Ombudsman.

Landlords will need to ensure they are fully aware of and compliant with the Decent Homes Standard once it comes into force for the private rented sector, as the enforcement regime will be more robust than ever before.

24. What's the new Private Rented Sector Ombudsman about?

The Bill introduces the new Private Rented Sector Ombudsman designed to give tenants access to free, fair, and fast redress when things go wrong with a private landlord.

- **Purpose:** This independent body is designed to provide a fair and impartial dispute resolution service for both landlords and tenants in the private rented sector.
- **Scope:** The Ombudsman will handle complaints from tenants about their landlords.
- **Mandatory membership:** All private landlords in England will be legally required to join an approved redress scheme, which will be the new Ombudsman. Previously, only letting agents were required to be members of such schemes.
- **Powers:** The Ombudsman will have the power to:
 - Mediate disputes between landlords and tenants.
 - Provide a cost-effective alternative to court proceedings.
 - Make binding decisions on landlords to take remedial action, issue apologies, provide explanations, and/or pay compensation.
 - Potentially expel non-compliant landlords from the scheme.
- Areas it covers:
 - Failure to carry out repairs
 - Unreasonable delays or poor communication
 - o Harassment or unlawful behaviour

- Breach of legal or tenancy obligations
- Issues not resolved through letting agents or the Property Portals.
- **Benefits for tenants:** It will provide a free and accessible route for resolving complaints against landlords and ensure greater accountability.
- **Benefits for landlords**: It will offer a structured and potentially cheaper way to resolve disputes compared to court action and may include mediation options initiated by landlords.
- **Enforcement:** Local councils will have increased powers to enforce compliance with the Ombudsman scheme. Landlords who fail to join can face significant fines.
- **Timeline:** The government plans to implement the Ombudsman service shortly after the Renters' Rights Bill becomes law. Landlords will be given notice of the date by which they must register.
- **Funding:** It is anticipated that landlords will likely pay a small annual fee to fund the operation of the Ombudsman service.

25. How does the new Ombudsman work with the other aspects of the Renters' Rights Bill?

- Works with the new Property Portal (landlords must register here too).
- Supports the new Decent Homes Standard by ensuring tenants can challenge poor conditions.
- Reduces pressure on courts by resolving disputes early and fairly.

26. What is the new Private Rented Sector Database/Property Portal?

The Bill introduces a new digital Private Rented Sector Property Portal. This online platform aims to increase transparency and accountability within the private rented sector by providing a one stop shop for landlords, tenants and local authorities to access relevant information and guidance. Its purpose is:

- To provide a centralised database of all private rented properties and landlords.
- To offer a single point of access for tenants, landlords, and local authorities to key information and guidance on renting.

- To help landlords understand their legal obligations and demonstrate compliance.
- To provide better information to tenants so they can make informed decisions when choosing a rental property.
- To streamline compliance processes for landlords.
- To enhance enforcement capabilities for local authorities against non-compliant landlords.
- To potentially replace the functionality of the Database of Rogue Landlords.

Landlords will likely be required to pay a fee to register on the portal. The exact cost is yet to be determined.

27. Will registration on the Private Rented Sector Database/Property Portal be a legal requirement?

All private landlords will be legally required to register themselves and their properties on the portal before marketing or letting a property.

Landlords in breach of the duty to register on the database will not be able to get a possession order except if the ground under which possession is sought due to tenant anti-social behaviour.

Local councils will be able to take enforcement action against private landlords that fail to join the database. If a landlord lets or advertises a property without it first being registered on the database, they can be issued with a civil penalty of up to £7,000 by the local council. If a landlord repeatedly breaches the requirement, or if they commit a serious offence such as providing fraudulent information to the database, they may be issued with a civil penalty of up to £40,000 or could face criminal prosecution.

28. What information will be included on the Property Portal?

This will likely include:

- Landlord's name, address, and contact details.
- Address of the rental property.
- Information demonstrating compliance with legal obligations (e.g., gas safety certificates, energy performance certificates).
- Potentially, the rent being charged.

The aim is to provide tenants with information to help them make informed decisions, which may include:

- Details about their rights and responsibilities.
- Information about the property's compliance with safety standards.

Potentially, a landlord's history of offences or penalties (while respecting data protection rules).

29.How will local authorities use the Private Rented Sector Database?

The portal will provide local authorities with data to help them monitor compliance and take targeted enforcement action against rogue landlords.

30. When will the new Private Rented Sector Database become available?

The government states that:

- The database is currently undergoing digital development and they aim for the service to be operational as soon as possible following the introduction of the Bill.
- The next stage of development will be the 'Beta phase', which will involve building and testing iterations of the service with key users. This testing phase will also inform the requirements for the content of the database which will be set out in regulations.
- The government will continue to engage with stakeholders and users as they take forward the development of the service and we will conduct extensive testing of the new service ahead of the legal requirement for private residential landlords to register on the database coming into force.

31. Does the Renters' Rights Bill affect social landlords?

In short, yes. Although the reforms are primarily aimed at the private rented sector (with the public sector already being subject to separate regulations), many of the reforms proposed by the Bill still apply to social landlords:

- End of fixed-term tenancies: The Bill abolishes fixed-term assured shorthold tenancies, meaning social housing providers will no longer be able to use "starter" tenancies. All new tenancies will be periodic assured tenancies from the start.
- Changes to Grounds for Possession:

- 1. Abolition of Section 21: Social landlords will no longer be able to use "nofault" evictions.
- 2. New and Amended Grounds: The Bill introduces new grounds specifically for social landlords (e.g., leasehold ending, redevelopment) and amends existing ones (e.g., increasing the rent arrears threshold for mandatory eviction to three months).
- 3. Rent increases: Social housing rent increases will need to follow the statutory Section 13 procedure with at least two months' notice and cannot occur within the first 52 weeks of a new tenancy. Existing rent review clauses will be invalid.

32. What parts of the Renters' Rights Bill will not apply to social landlords?

- Social housing providers are excluded from the new Private Rented Sector Ombudsman as they are already subject to the Housing Ombudsman under the Social Housing (Regulation) Act 2023.
- While the Bill extends the Decent Homes Standard to the private rented sector, social housing already operates under its own standards, which are being further strengthened by "Awaab's Law" under the Social Housing (Regulation) Act 2023, focusing on issues like damp and mould with strict timelines for action.
- Private Rented Sector Database: Social housing providers are not explicitly required to join the new Private Rented Sector Database.

In essence, the Bill aligns some aspects of social housing eviction processes with the private sector, introduces specific grounds for possession relevant to social landlords, and reinforces existing standards around the quality of social housing.

33. How does the Renters' Rights Bill deal with discriminatory practices?

The Renters' Reform Bill makes significant strides in addressing discriminatory practices in the private rented sector. It goes beyond the existing Equality Act 2010 by targeting specific forms of discrimination that have been prevalent in the rental market.

Prohibition of discrimination against tenants with children and those on benefits (DSS):

- This is a cornerstone of the Bill's approach to discrimination. It will be illegal for landlords and letting agents to impose blanket bans on renting to prospective tenants simply because they have children or are in receipt of benefits (often referred to as "No DSS" policies).
- The Bill ensures that terms in mortgages and superior leases that restrict letting to tenants with children or on benefits will have no effect. This prevents landlords from being caught between a discriminatory clause in their own agreements and the new law.

Addressing indirect discrimination (e.g., rental bidding, excessive rent in advance):

The Bill also aims to tackle more subtle, indirect forms of discrimination that can disproportionately affect certain groups, including those with protected characteristics under the Equality Act.

- **Banning rental bidding wars:** It will be illegal for landlords and agents to ask for or accept offers above the advertised rent. They will be required to publish an asking rent for the property, and it will be illegal to accept offers made above this rate. This prevents a practice that can push out those with fewer financial resources, who are often from marginalised groups.
- Limiting rent in advance: The Bill prevents landlords from demanding excessive amounts of rent in advance (e.g., six months' rent up front), making it more accessible for tenants who may not have large sums of money readily available. This is crucial as difficulty affording large upfront payments disproportionately affects those on low incomes or benefits.
- **Guarantor requirements:** The Bill is also expected to address the use of guarantors as a pre-requisite for renting, especially when this requirement is applied in a way that indirectly discriminates against certain groups.

Strengthening existing Equality Act protections:

The Bill reinforces the principles of the Equality Act 2010, which makes it unlawful to discriminate against someone based on their protected characteristics. These include:

- o Age
- o Disability
- o Gender reassignment
- Marriage and civil partnership

- Pregnancy and maternity
- o Race
- o Religion or belief
- o Sex
- Sexual orientation

While the Equality Act already covers these, the Renters (Reform) Bill specifically calls out practices like "No DSS" that have been legally challenged and found to be indirectly discriminatory under the Act.

Enforcement and redress:

- **Financial penalties:** Landlords and agents who breach the anti-discrimination provisions could face significant financial penalties.
- New Private Rented Sector Ombudsman: The new Ombudsman scheme will provide an accessible and impartial route for tenants to complain about discrimination without having to go to court. The Ombudsman will have powers to make binding decisions, including ordering compensation.
- **Increased local authority powers**: Local authorities will have enhanced enforcement powers to investigate and act against landlords engaging in discriminatory practices.
- **Property Database:** The proposed Property Database could also play a role by providing a register of landlords and potentially flagging those with a history of non-compliance, increasing transparency.

Focus on individual assessment:

• The underlying principle is that landlords and agents should assess prospective tenants on an individual basis, based on their ability to meet the tenancy requirements (e.g., pay rent, look after the property), rather than on broad assumptions or blanket policies related to their circumstances.

In summary, the Renters' Reform Bill aims to create a fairer and more inclusive rental market by directly outlawing specific discriminatory practices, strengthening enforcement mechanisms, and promoting a culture of individual assessment rather than blanket bans.

34.How will the Renters' Rights Bill affect student landlords?

As for all residential landlords, being a student landlord will become more regulated and potentially less flexible, however will still be viable for those willing to adapt. Here's what the changes mean specifically for landlords renting to students

- End of fixed-term tenancies: Traditionally, student landlords operate on 12month contracts timed to the academic year. Without fixed terms, students could leave with just two months' notice, disrupting the standard letting cycle and making it harder to guarantee annual income or plan for the next academic year.
- **HMO licensing remains in place:** Houses in multiple occupation (HMOs) will still require licensing and must meet safety and amenity standards.
- No exemption for student housing: While purpose-built student accommodation (PBSA) may still operate on fixed academic contracts (depending on final wording), private landlords renting to student groups will not be exempt from periodic tenancy rules.
- **Rent bidding bans:** Landlords can't encourage or accept offers above the advertised rent, a practice sometimes seen in high-demand university towns.
- **Eviction rules apply equally:** Landlords can still evict students for valid reasons (e.g., rent arrears or property sale), but can't simply ask them to leave when the academic year ends unless a legal ground is met.

For further information or assistance please contact <u>Emma Wells</u>, or a member of our <u>Property Litigation team</u>.

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