Renters (Reform) Bill

What are the key measures in the Bill?

- The Renters (Reform) Bill will deliver the government's commitment to 'a fairer private rented sector' improving the system for responsible tenants and good faith landlords.
- Everybody has a right to a secure and decent home. Our measures will provide greater security and certainty of quality accommodation for the 4.6 million households living in the private rented sector, while also supporting good landlords and ensuring they can swiftly evict problem tenants or can get properties back when needed. It will also support landlords by clarifying their responsibilities.
- The Bill includes a package of reforms which includes:
 - Abolishing section 21 evictions and move to a simpler tenancy structure where all assured tenancies are periodic – providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction;
 - Introducing more comprehensive possession grounds so landlords can still recover their property (including where they wish to sell their property or move in close family).
 - Making it easier to repossess properties where tenants are at fault, for example in cases of anti-social behaviour and repeat rent arrears;
 - **Strengthening local councils' enforcement and investigatory powers** and introducing a new requirement for councils to report on enforcement activity to help target criminal landlords
 - Introducing a new Private Rented Sector Ombudsman which will be mandatory for nearly all private landlords – allowing tenants to seek redress for free where their landlord has failed to deal with a legitimate complaint.
 - Introducing a Private Rented Property Portal which will provide landlords with a simple way of understanding and demonstrating compliance.
 - A new Decent Homes Standard for the sector, helping landlords by **simplifying and clarifying requirements.**
 - Making it illegal for landlords and agents to have blanket bans on renting to people who receive benefits or families with children.
 - Further information on the key Bill measures can be found here <u>Guide to the Renters (Reform) Bill -</u> <u>GOV.UK (www.gov.uk)</u>

How will the Bill help good landlords?

- This package of reforms strikes the right balance between providing renters with the increased security they need while also improving and strengthening support for landlords and giving them the tools to charge a fair rent and reclaim their properties when they need to.
- It will also help landlords understand their legal obligations and demonstrate compliance (giving good landlords confidence in their position).
- Since the introduction of the Bill, we have listened to feedback from the sector. The government has tabled further amendments at Commons Report stage to provide landlords with confidence. These include:
 - **Establish an initial six-month period for tenants**. This balances protecting landlords' investment, alongside ensuring tenants can still leave a property after six months if their circumstances change. In effect, it creates a default fixed-term of six months in all contracts and mirrors a standard break clause in many existing contracts. We are considering exemptions, such as the death of a tenant, or domestic abuse, or significant hazards in the property.
 - **Require an assessment on the county court possession system before abolishing section 21**. The Government has been clear that section 21 will be abolished when the courts are ready. We are taking

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significant steps to deliver court improvement, including providing £1.2m for court digitisation. We will now also bring forward an amendment to require the Lord Chancellor to publish an assessment on barriers to possession and the readiness of the courts in advance of abolishing section 21 for <u>existing</u> tenancies.

- **Ensure the student market continues to work.** We have heard concerns about student households that do not meet the HMO definition. We will broaden this ground ensuring it applies to any property that is let by students, as long as landlords give prior notice to the tenants at the start of the tenancy that the ground will apply. This will further protect the student market and the supply of student housing.
- Commit to a review of the implementation of tenancy measures within the Bill. The Government will introduce an amendment that requires the Secretary of State to lay a statement covering the effectiveness of new possession grounds, and the effect of moving to periodic tenancies and abolishing fixed terms. This will be published within 18 months of the measures being applied to existing tenancies following an independent review of the new system.
- Undertake a review of council licensing schemes. With the introduction of the new Property Portal, some landlord groups have sought reassurance that this will not duplicate the existing licensing system. We will therefore conduct a review of licensing in light of our rental reforms, with the aim of reducing burdens on landlords. This review will cover both selective licensing and licensing of HMOs.
- **Commit in legislation to publish an annual parliamentary update on the state of the private rented sector** including data on the supply, size and location of properties. This update will be laid before Parliament in the form of a written statement.
- Together, these changes ensure our landmark reforms will truly transform the private rented sector, giving security to tenants and fairness to landlords.

How will we make sure everyone is aware of their responsibilities?

- We will provide detailed guidance on the changes being introduced by the Bill supported by the new Property Portal, which will make it easier for landlords to understand their obligations.
- We have been clear that the abolition of section 21 and the introduction of new possession grounds will be phased so that the sector and the courts have time to adjust. The precise timing for implementing our improvements to the court process will be dependent on having the necessary legislation in place. We will say more about our implementation plans in due course.
- Our guidance will ensure that landlords, tenants and local authorities understand what the changes mean for them. Alongside this, there will be a communications campaign to raise awareness of the reforms and the campaign will direct people to guidance which is relevant to them.

Follow the Bill's progress:

More information and to follow the Bill's progress through Parliament can be found here - <u>Renters (Reform) Bill -</u> <u>Parliamentary Bills - UK Parliament</u>