

LANDLORD GUIDE

RENTERS RIGHTS BILL



YOUR MOVE

It pays to be with Your Move

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01

WHAT IS THE RENTERS' RIGHTS BILL?

The Renters' Rights Bill is a significant new piece of legislation aimed at transforming the private rented sector in England. The aim of the bill is to provide greater security and stability for the 11 million private renters in England, while also ensuring fair treatment for Landlords

The expectation is that it will become law by October/November.

Ensuring you have an understanding of the bill and you are prepared for any impact of the Renters's Rights Bill is crucial.



02

12 KEY CHANGES

1. **Abolition of Section 21 Evictions** - ending 'no fault' evictions, meaning landlords can no longer evict tenants without a valid reason. See pg 7 for more on this.
2. **End of Fixed Term Tenancy** - introducing a more simple tenancy structure where all assured tenancies are periodic - providing tenants with more security and stability.
3. **Fair Possession Grounds** - ensuring that possession grounds are fair to tenants and landlords, allowing landlords to recover their property when reasonable while giving tenants more time to find a home if evicted.
4. **Rent Increase Protection** - enabling tenants to appeal what they consider excessive rent increases with an independent tribunal making judgments on these cases.

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12 KEY CHANGES CONT.

5. **Landlord Ombudsman** - a new Private Sector Landlord Ombudsman will be established to provide quick, fair and impartial resolution for any tenants with complaints about their landlord.
6. **Ban on rent bidding** - ending pitting renters against each other in bidding wars and prohibit encouraging or accepting any bids above the published asking rent for the property.
7. **Discrimination** - applies to England, Wales & Scotland - making it an offence not to let your property because tenants are in receipt of Universal Credit or Housing Benefit or not to let with families with children.
8. **Ban on rent in advance** - ending the practice of landlords asking for large amounts of rent in advance from tenants looking to secure a tenancy.

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12 KEY CHANGES CONT.

9. **Pets & Pet Insurance** - supporting responsible pet ownership in the private rental sector. The Bill will ensure landlords do not unreasonably withhold consent when a tenant requests to have a pet in their home.
10. **Rent repayment orders** - measures will be introduced to strengthen Rent Repayment Orders (RROs); which can require landlords to reimburse tenants' rent, following a tribunal.
11. **Private Landlord rental database** - all landlords of assured and regulated tenancies will be legally required to register themselves and their properties on the database and could be subject to penalties if they market or let out a property without registering.
12. **Landlord redress scheme** - new scheme will be able to apply rules of the new act e.g. if a tenant complains that their property is not registered on the Private landlord database.

03

TOP 5 CHANGES IN MORE DETAIL

1. Abolition of Section 21 'no fault' evictions.

Section 21 of the Housing Act 1988 currently gives landlords the right to recover possession of the rental property by serving a minimum of two months notice in writing to the tenant.

With this Bill, assured shorthold tenancies will be replaced by assured tenancies - which do not have Section 21. All tenancies will become periodic i.e. indefinite.

The Bill introduces a new Ground 1A which will enable landlords to recover possession if they decide to sell their property. Four months notice will need to be served, instead of the current 2 months notice.

There are Grounds for Possession which are straightforward and clear.



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TOP 5 CHANGES IN MORE DETAIL

2. End of Fixed Term Tenancies

The Bill will remove fixed-term assured tenancies.

All tenancies will be periodic, with tenants able to stay in their home until they decide to end the tenancy by giving 2 months' notice.

It has been introduced to give tenants more options to leave substandard properties, rather than being obliged to continue to pay the rent. It does also make it easier for tenants to feel settled in longer term homes.

When the Bill comes into law all ASTs will immediately become periodic. Tenancies will operate on a rolling month to month basis.

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TOP 5 CHANGES IN MORE DETAIL

3. What are the Grounds for Possession?

The Bill aims to clarify and expand grounds for possession while at the same time protecting tenants.

Tenants will have 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 will need to provide 4 months notice when using the following, giving tenants more time to find a new home.

- Landlord's intention to sell
- Landlord's intention to move into the property
- Redevelopment of the property
- Significant rent arrears
- Anti social behaviour of the tenant

03

TOP 5 CHANGES IN MORE DETAIL

4. Rent Increase Protection

Private Rented Sector Tenants can challenge unreasonable rent increases.

Rent can only be increased once per year and to the market rate i.e. the price that would be achieved if the property was newly advertised to let.

To implement a rent increase Landlords will need to serve a 'section 13' notice setting out the new rent and tenants will be given 2 months notice of any rental increases.

If a tenant believes the rent exceeds market rate they can challenge this at the First-tier Tribunal, who will determine what the rent should be.

03

TOP 5 CHANGES IN MORE DETAIL

5. Landlord Ombudsman

All private landlords in England with assured or regulated tenancies will be required by law to join, including if you have a managing agent.

Tenants will be able to use the service for free to complain about landlords actions or behaviour. It will offer fair, impartial and binding resolution for tenants and have powers to compel landlords to issue an apology, take action or pay compensation.

Landlords will also benefit by resolving tenant-initiated complaints quickly and cost effectively. It will also offer landlords guidance and support.

Local councils will be able to take action against landlords if they fail to join, including penalties or criminal prosecution for continued breaches.

The ombudsman service will be introduced as soon as possible and it is expected that landlords will be required to pay a small, annual fee per PRS property.



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HOW CAN YOU PREPARE?

How suitable is your existing tenancy?

Check what is happening with your existing tenants, you may want to serve a Section 21 before it is abolished.

- Late and/or erratic rent payments
- Rent levels lower than market rate
- Complaints from a third party e.g. neighbours
- Property not cared for
- Additional occupiers

Right to rent

- Make sure you are on top of checks and report to home office if tenant has not provided correct 'leave to stay' documentation

Book a rent review

- Local letting agents will be able to advise on market rates and provide documents to support a potential rental increase

04

HOW CAN YOU PREPARE?

Get ahead of the legislation

- Keep records
- Review condition of property or properties and get ahead of any ongoing issues e.g. mould, condensation etc.
- Make sure how you pre qualify tenants is compliant
- Have a plan...be aware of what you will need to do when the Bill passes e.g. Tenancy agreement changes

05

TALK TO YOUR MOVE.

The Renters' Rights Bill represents the biggest change to the Private Rental Sector in over 30 years. It is important to be aware of what is coming and to be as prepared as possible to make the transition for you and your tenants as smooth and stressfree as possible.

If you don't currently have a managing agent here are 4 of many reasons why now is the time to reconsider:

COMPLIANCE

Navigating a private rental yourself is about to become significantly more complex.

Your Move will ensure you are compliant across all aspects of your let.

MAXIMISE YOUR INVESTMENT

When was your last rent review?

Being an expert in your local rental market is going to be more important than ever.

RELIABLE TENANTS

Having a reliable tenant is more critical than ever.

Your Move will take care of thorough referencing to reduce any risk.

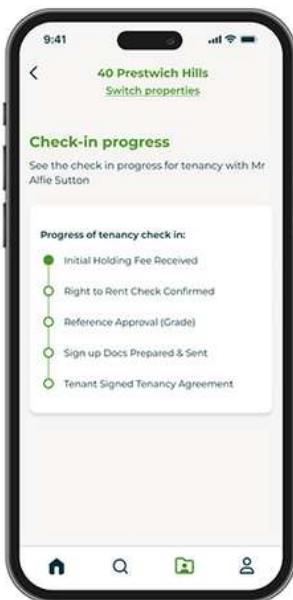
RENT PROTECTION

With a 4 month notice period, tenant arrears could make or break the viability of your let. Your Move can introduce you to Rent Protection which - amongst other great benefits - covers tenant arrears from day 1.

05

TALK TO YOUR MOVE.

Plus with Your Move...



Access details on your rental property 24/7 with **MyMove, including downloading statements, all tenancy information - with notifications direct to your phone.**



Find out more

05

TALK TO YOUR MOVE.

How to find your local Your Move branch

your-move.co.uk/branches



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