

## Understand the renters reform changes heading our way

### DETAILS

### CONTACTS & RELATED CONTENT

The Government has a long-term vision for creating a fairer private rented sector. The vision includes fundamental changes which will affect both new as well as existing tenancies with an annual rental income of under £100,000 per year.

The Renters Reform Bill had its first reading in June 2023. The second reading is expected in September. This is an opportunity for the industry and landlords to contact their local MP and highlight where they believe a proposed change won't work in practice.

The Bill must go through the legislative process of working its way through the House of Commons, before the House of Lords. Only once the Bill is agreed can it be considered for receiving Royal Assent and being passed as law.

Amongst other introductions the reform package proposes:

1. Abolishing Section 21 Notices to improve the security for tenants, protecting them from having to make short notice moves and enable them to plan for the future.
2. Abolishing fixed term tenancies, the industry are lobbying to keep a minimum fixed term of four months with a tenant two month notice period from four months.
3. The proposed new open ended tenancies-will not be allowed rent review clauses as standard, however the rent can be increased annually in line with the market rent by serving a prescribed notice known as a Section 13 Notice.
4. There will be new possession grounds under Section 8 to help landlords regain their property should they wish to sell it, move into it themselves or close family members, or in the case of serious breaches of the tenancy agreement.
5. Reforming the court process to enable landlords to regain their property quicker where they have a legitimate reason.
6. The introduction of a property portal, to help every landlord understand, and comply with, their responsibilities. All landlords will need to register and add their rented properties on the portal.
7. A Decent Homes Standard meaning all homes must be free from serious health and safety hazards, and landlords must keep homes in a good state of repair so renters have



8. renters and landlords to be settled quickly, at low cost, and without going to court.
9. Make it illegal for landlords and agents to have blanket bans on renting to tenant in receipt of benefits or with children.
10. Give tenants the right to request a pet in their property however, a landlord can insist the tenants pays for insurance to cover any pet damage.

The Department for Levelling Up, Housing & Communities (DLUHC) has recently published its **Impact Assessment** of the Bill which reveals further information about the government's plans for the private rented sector. It includes the following:

The move to periodic tenancies will take place in two stages. First, the government will give six months' notice that new tenancies must be periodic. Current tenancy agreements will automatically become periodic 12 months later. Landlords and tenants will not need to sign a new tenancy agreement.

The Impact Assessment assumes reforms will be implemented in 2025 and fully operational by 2026.

### The Ombudsman

There will be a grace period for landlords to sign up to the Property Portal and Ombudsman.

Landlords will need to pay yearly for the Ombudsman.

DLUHC estimates a cost of £6.07 per property per annum for the Ombudsman.

### The Property Portal

Landlords will need to pay and re-register on the Property Portal every three years.

DLUHC estimates a fee of £28.51 every three years per landlord for the Property Portal.

This cost is based on similar schemes in Wales, Scotland and Northern Ireland.

Secondary legislation will be needed to operationalise the Property Portal. DLUHC expects it to be operational by 2026.

Landlords will be able to nominate another entity (such as a letting agent) to complete registration for both the proposed Property Portal and the new Ombudsman on their behalf.

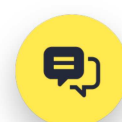
The abolishment of the Section 21 Notice (also known as the no fault notice) is a significant step as it will see the end of Assured Shorthold Tenancies.

We urge you to share your thoughts on the new bill with your local MP.

### FURTHER INFORMATION

Understanding the Renters (Reform) Bill

### Key Contacts





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New developments for sale in England

New developments for sale in London

New developments for sale in Scotland

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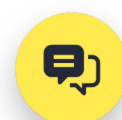
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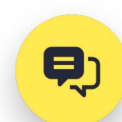
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