

# Rental reform Bill

**All Wessex meeting 15<sup>th</sup> June 2023**

# Hello

**Angharad Trueman – (Harry)**

**Group Lettings Director – Andrews  
Property Group  
4000 properties across the South West  
and South East UK**

**Vice President - ARLA Propertymark  
18,000 agent members across the UK**



# RENTAL REFORM



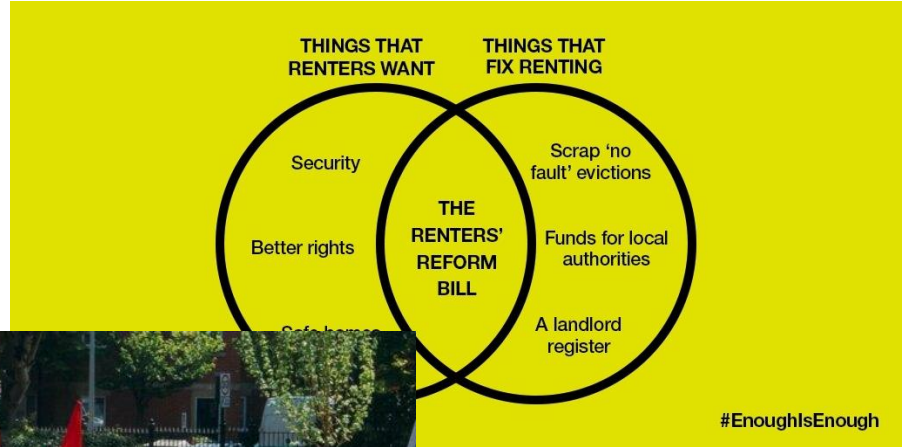
# Rental reform bill

## Where its come from:

- White paper 'fairer rented sector' was initially released in June 2022.
- Then came the bill finally presented to government on 17<sup>th</sup> May 2023
- Currently on its second reading in house of commons, a long way to go yet.
- Supposed to be the biggest change to our rental industry since Housing Act 1988
- DHLUC lots of discussion with tenant groups to arrive at this report.

# Rhetoric from tenant groups

**ENOUGH IS ENOUGH!**



# Assured tenancies and the demise of fixed term tenancies

- End of the Assured Shorthold Tenancy agreement
- Also the end of fixed term tenancies, all tenancies will be on a periodic basis with no specific end date.
- 12 month contracts will still be permissible for purpose built student accommodation only.
- Rental periods will need to be strictly monthly and tenants will be able to give two months' notice to leave.
- Notice must be in line with rental due dates and the bill suggests any form of written notice from a tenant will suffice, even suggesting text messages or email.

# No more Section 21 but new and amended Section 8 grounds

- Section 21 will be removed and a landlord will need to rely on Section 8.
- They have proposed the adding of new grounds under Section 8 and have also amended others;
- **Ground 1** – for landlord moving back in, will be expanded to include other family members. Currently a landlord has had to previously live in the property and provide prior notice before a tenancy begins if they wish to rely on this. Instead could be included under the written statement of terms.
- **Ground 1A** – New mandatory ground, this would be a ground where there's an intention to sell. Because it's a mandatory ground a judge must award possession if used correctly. However, we have no idea what 'correctly' means yet....

- **Ground 7A and 14** – current grounds for anti-social or nuisance behaviour from a tenant or visitor convicted of serious criminal offence - the problem with these grounds has always been that the tenant must have been *convicted* of this previously.
- The change with these grounds is that the notice period will change from 4 weeks to immediate notice. And under Ground 14, the wording has changed from likely to cause a nuisance to '*capable*' of causing anti-social behaviour/nuisance which could assist with a landlord being able to rely on this.
- **Ground 8** – arrears ground, tenant in 2 months notice, the notice period for this has changed from 2 weeks to 4 weeks.
- We also have the arrival of **Ground 8A** which is for a tenant who repeatedly falls into arrears but then resolves them. In order to rely on this ground a tenant must have been in at least 2 months rent arrears on 3 separate occasions over 3 years.





# Property portal

- focusing on compliance for landlords, however gov haven't provided considerable detail this stage so we assume more will be provided in secondary legislation.
- Its assumed the database will include the following details;
  1. Details of people who are currently or becoming a landlord
  2. Details of properties that are being rented out or that are in the process of being rented
  3. Details of landlords that have received banning orders and convictions - details will include the nature of the offence, where it was committed and context.
- Exact process still being deliberated, and when landlords will need to register. It will be an online process like additional and selective licencing schemes.
- I envisage this database will be replacing the current rogue landlord database.

# Renting with Pets



- In previous white paper, the government made a commitment to make it easier for tenants to have pets in rented property as they believe these lead to happier, longer tenancies.

- In the bill, the government is proposing that landlords will be unable to unreasonably refuse the request for a pet.
- Tenant fees Act 2019 will be amended to make it possible for a landlord to require their tenants to obtain pet insurance or to pay the landlord to take out their own pet insurance at the property.
- To ask for consent for a pet, it must be in writing and must include a description of the pet. The landlord then has to reply within 42 days and if agreed, it must be detailed in writing in the tenancy agreement with specific details of the pet insurance if required.
- Withholding consent?
- 84% of Propertymark agents.

# Landlord Redress

- New mechanism to resolve complaints that a tenant has with their landlord. Not vice versa and will not be able to be used by landlords about tenant complaints.
- It aims to bring more parity to all types of tenure and level the playing field between the Private Rented Sector and the social housing sector. They believe it will be a quicker, cheaper and less adversarial way of dealing with complaints.
- Just one redress scheme in the form of an ombudsman which all landlords will be required to join.
- Free for tenants, but can only be used when landlord has already failed to address the complaint. Sanctions: range of options from compelling a formal apology, take remedial action and finally being ordered to pay up to £25,000 in compensation.
- Failure to join could be a £5,000 civil penalty but as high as a £35,000 fine.



## Rent increases

- Lots of talk previously about rent controls. But landlords will still be able to give these annually and still to market level
- The change is it must now be two months' notice (previously one month).
- Tenants will continue to be able to challenge any above market rent increases via the first tier tribunal.

## Any U-turns?

- The gov have already said they might be reconsidering HMOs and how they can still have fixed term tenancies
- We should choose one thing and campaign for it, the loss of fixed term tenancies I believe should be it.

# Rakusen vs Jepsen

## Landmark case

- Rakusen: superior landlord
- Lease granted to: Kensington Property investment group' KPIG
- They let it to: Jepsen and co-tenants.
  
- KPIG did not properly licence the property so tenants sought a Rent Repayment order.
  
- Tenants applied for a rent repayment order against *Mr Rakusen* rather than KPIG and, initially First-tier Tribunal, upheld that an RRO could be made against a superior landlord.
- This was also upheld by the Upper Tribunal but overturned by the Court of Appeal, who sided with Mr Rakusen.
  
- The tenants therefore appealed to the Supreme Court in Jan 2023.
  
- The Supreme Court took the view that it should apply a straightforward interpretation of the statutory provisions. It found it would be “*artificial and unnatural*” to extend the definition of a landlord to anyone other than the immediate landlord.
  
- The clear conclusion therefore was that “the simple answer to the question posed is also the correct answer” with the Supreme Court dismissing the appeal and finding that an RRO cannot be made against a superior landlord.



# Last note – not on rental reform...

## MEES

- Big concern for landlords
- Next check point was supposed to be 2025
- Not confirmed but we hear Gov are now pushing that to 2028
  
- No further guidance yet on funding
  
- Cost cap still in place: If you cannot improve your property to EPC E for £3,500 or less, you should make all the improvements which can be made up to that amount, then register an 'all improvements made' exemption.
- Exemption lasts for 5 years



**Any questions?**





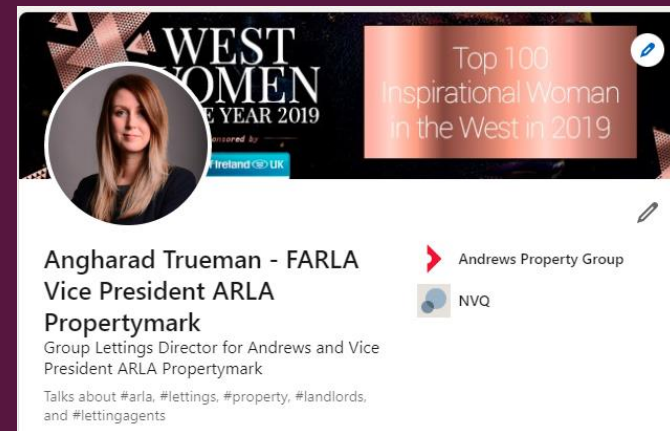
# Thank you

Get in touch with any queries.

My details: [angharadtrueman@Propertymark.co.uk](mailto:angharadtrueman@Propertymark.co.uk)

Phone: 07754 755 460

Linkedin: @Angharad trueman



**WEST WOMEN OF THE YEAR 2019**

Top 100 Inspirational Woman in the West in 2019

**Angharad Trueman - FARLA**  
Vice President ARLA  
Propertymark

Group Lettings Director for Andrews and Vice President ARLA Propertymark

Talks about #arla, #lettings, #property, #landlords, and #lettingagents

Andrews Property Group

NVQ