

## The King's Speech: Renters (Reform) Bill 2023



Since publication of our article regarding the <u>Renters (Reform) Bill 2023</u> several noteworthy developments have emerged.

- During the Bill's second reading on 23 October 2023 it was announced that the government would be
  delaying the abolition of the Section 21 "no-fault" eviction route until improvements are made to the court
  system with no commitment to a future timeline. It would appear that the headline reform of banning no
  fault evictions will be delayed indefinitely.
- We think it is fair to say that this has split opinion, with landlords mostly welcoming the move while rent reform campaigners and tenants expressing concern at the delay.

Aside from the abolition of Section 21, the Bill introduces a number of key changes to the procedure for obtaining possession against an assured tenant but the Bill will not be enacted until the next session of Parliament making it likely that the new measures will not become law until the New Year.

As a reminder, the Renters (Reform) Bill proposes the following key changes to the assured tenancy procedure introduced by the Housing Act 1988:

- 1. Assured shorthold tenancies are to be replaced by monthly periodic tenancies;
  - this will be phased in with six months' notice to be given before all new tenancies will be periodic tenancies and thereafter, at least 12 months' notice to be given when all existing tenancies will transition to the new system.
- 2. Notice periods provided by tenants to landlords must align with the end of the tenancy period and must provide a minimum of two months' notice to terminate the tenancy.
- 3. Purpose-Built Student Accommodation providers who are registered to adhere to government-approved



codes will be exempt from the changes.

- 4. Fixed term tenancies will be abolished for the student lets sector, and a new ground for possession will be introduced specifically for student lets.
- 5. Notice periods for the grounds for possession will be amended, such as:
  - the mandatory and discretionary grounds relating to rent arrears will be increased to 4 weeks;
  - for the mandatory serious anti-social behaviour or criminal behaviour ground and the discretionary anti-social behaviour ground court proceedings can be initiated immediately however courts will not be able to order possession to take effect within 14 days of the notice being served.
- 6. A new ground, Ground 1A, is proposed which will require Courts to grant possession if the landlord intends to sell the dwelling-house, with exceptions applying. If the tenant vacates as a result of the use of this ground, landlords will be prevented from letting or advertising the property for the following three months. Landlords will not be able to use Ground 1A to secure possession within the first 6 months of the tenancy.
- 7. There will be no pre-requisites for Grounds 1 (occupation by landlord or family) and 1A (Sale of dwelling-house), apart from protecting the tenants' deposits.
- 8. The requirements for deposit protection will apply to all grounds with the exception of Grounds 7A and 14. Failure to satisfy the pre-requisites will result in a possession order not being granted.
- 9. Ground 8 (at least 2 months' rent arrears) the Secretary of State will have the authority to publish the form to be used for serving notice of possession proceedings, instead of updating them via statutory instrument. It will also be prohibited to evict tenants who are in arrears solely due to delayed Universal Credit payments.
- 10. A new Ground 8A will be introduced, requiring possession to be awarded where: i) at least 2 months' rent has been unpaid for at least 1 day on at least three separate occasions where rent is payable monthly; or ii) at least eight week's rent has been unpaid for at least 1 day on at least three separate occasions where rent is payable for a period shorter than a month;
  - this ground will not be met if the tenant's arrears arose as a result of failure to receive entitled benefits.
- 11. Ground 14 will be amended to include behaviours "capable of causing" nuisance or annoyance.
- 12. Rent increases permitted only if a section 13 notice, providing two months' notice, has been served. A lower increase to the one proposed in the notice can be agreed, however, it must still be higher than the previous rent.
- 13. Tenancies will have an implied term allowing tenants to keep a pet with the landlord's consent, unless the landlord has reasonably refused. If the landlord consents to the tenant keeping the pet, they can recover the cost of pet damage insurance.
- 14. Landlords will be required to provide a written tenancy agreement to the tenant by the first day of the tenancy.
- 15. Landlords will be prohibited from certain actions, such as using grounds that they are not entitled to use; failing to give prior or correct notice. Breaches of these prohibited actions would be criminal offences, and may result in the Landlord being liable to prosecution or the imposition of fines up to £30,000.00 depending on the offence. If the Landlord has been penalised and continues the breach, this will be considered a continuing offence.
- 16. The default notice period for notices to quit will be two months, with the possibility of the Landlord and Tenant agreeing on a shorter period, provided that this agreement is written. Notice to Quit will also be able to be withdrawn if agreed by both parties.
- 17. Leases that have existed for over seven years will be permitted to have a fixed term, and thus excluded from the assured tenancy system. Landlords will therefore be unable to pursue possession of properties under long leases via section 8 notices.



The Bill had a low profile and was not covered in much detail in The King's Speech today (7 November 2023), aside from confirming that it would provide tenants a "stronger security of tenure and better value", and reforms for landlords to have "more certainty that they can regain properties where needed". The Bill continues to progress through Parliament, and it is likely that further amendments will be made.



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