

RENTERS' RIGHTS BILL UPDATE

OCTOBER 2024

On 9th October 2024, the Government's Renters' Rights Bill (a reincarnation of the previous Conservative government's Renters Reform Bill) successfully passed its second reading in the House of Commons. It will now proceed to the committee stage, followed by further readings and scrutiny in both Houses, and is expected to become law in Spring 2025.

For responsible landlords with good quality properties, the Bill will have limited material impact, provided they are properly supported by a knowledgeable, experienced and capable agent with access to good quality tenants who pay their rent on time and treat the property they live in with respect.

OBJECTIVES OF THE RENTERS' RIGHTS BILL

The Government's overarching goal of the Renters' Rights Bill is to rebalance the relationship between tenants and landlords by offering greater protections to renters while ensuring that landlords meet higher standards of responsibility.

- **Enhancing tenant security:** The Bill seeks to give tenants greater peace of mind that they will not face sudden eviction by abolishing evictions under Section 21.
- **Ensuring Affordability:** Landlords will not be able to accept offers over the advertised asking price and rent increases will only be allowed once per year. Tenants will need at least two months' notice and will have the right to challenge excessive increases through a tribunal.
- **Improving Housing Standards:** A new Decent Homes Standard will be published and applied to the private rental sector.
- **Eliminating Discriminatory Practices:** The Bill seeks to eradicate discrimination in the rental market by banning "no DSS" and "no children" policies.
- **Creating a More Transparent System:** A Landlord Ombudsman will be introduced to handle tenant complaints and offer binding resolutions, and a digital property portal will be launched to enable local councils to enforce legal obligations.

WHAT THE RENTERS' RIGHTS BILL MEANS FOR LANDLORDS

The Bill will bring in a number of changes that both agents and landlords will need to be prepared for:

- **No More Fixed-Term Tenancies:** Instead of running for a set period of time (e.g. 12, 18 or 24 months) all new tenancies will be 'periodic' from the outset. This means that the tenancy is, in effect, open-ended and tenants will be able to end their tenancy with two months' notice at any time.
- **Restrictions on Rent Increases:** Landlords will be able to increase rents once per year provided that the increase reflects the market rate. Tenants will have the right to contest any proposed increase they believe to be unfair.
- **No Bidding Wars:** Landlords will not be able to accept offers from tenants that exceed the advertised asking price, meaning that accurate pricing will be essential.
- **Enhanced Eviction Grounds:** With the removal of section 21 notices, landlords will need to have a reason to evict tenants under Section 8. New reasons will include rent arrears and the landlords' need to sell or move into the property.
- **Property Portal:** All landlords will be required to register on a new digital property portal.
- **Pets in Properties:** Tenants will have the right to request permission to keep pets in rental properties and landlords will not be able to have a blanket ban on pets, unless the head lease prohibits them. To protect themselves, landlords will be able to impose conditions, such as requiring insurance for pet-related damage.

WHAT SHOULD LANDLORDS BE DOING NOW TO PREPARE FOR RENTERS' RIGHTS BILL?

Although the Bill is unlikely to take effect until Spring 2025, Chase Buchanan recommends the following for landlords:

- **Consider a Rent Protection product**
Being without access to their rental property or the income from their rental property is the worst case scenario for all landlords. Although this is already a risk, the new laws may mean it takes longer to regain possession of your property if a tenant fails to pay rent. You can easily protect yourself against this by taking out a rent protection product. Chase Buchanan offers one of the most comprehensive on the market, so please contact us to find out more.
- **Be selective with your tenants**
Most landlords will agree that a good tenant is more important than anything else. Take time to select the best tenant for your property and use an agency like Chase Buchanan which has one of the most robust and stringent tenant referencing systems in the industry.
- **Optimise your property**
The best rental properties will always achieve the best rents and attract the best tenants. Ensure that your property is in good decorative order and presents well to prospective tenants. Also, if your property is suffering from mould or damp, now is the time to get it addressed, before the new Decent Homes Standard is applied to the private rented sector.

CHASE BUCHANAN HAS LANDLORDS COVERED

Chase Buchanan will offer landlords a range of services and products to ensure that they are fully protected and prepared for the Renters' Rights Bill:

- 1. Rent Review Team:**
Our dedicated Rent Review Team will provide justification and comparable evidence for our landlords' rent increases and service the appropriate Section 13 notices to tenants
- 2. Rent Protection:**
We offer all landlords comprehensive and competitively priced Rent Protection cover
- 3. Accurate Valuations:**
Our local experts have in-depth knowledge of the local rental market, allowing them to give accurate rental valuations to ensure that landlords achieve the best rental income
- 4. Enhanced Referencing:**
We have one of the most stringent referencing systems in the market, ensuring we recommend only the best tenants to our landlords
- 5. Decent Homes Requirements:**
Our experienced Compliance department will keep all landlords abreast of any new requirements under the Decent Homes Standard
- 6. Landlord Compliance:**
The Compliance team will also ensure that our landlords are provided with detailed guidance on how to register on the landlord portal
- 7. Pet Tenancies:**
Chase Buchanan is already highly experienced in managing tenancies involving pets and will be able to offer comprehensive Pet Damage Cover
- 8. Guarantor Service:**
We will be offering a Guarantor Service to tenants that don't have a rental history and require support with securing their first tenancy

If you wish to discuss how the Renters' Rights Bill might affect you and how you can prepare for it, please contact Aiden.lynych@chasebuchanan.co.uk

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