

# Labour's plans for the private rented sector



25 July 2024 A Georgina Dudman

Following the election of the new government earlier this month, the King's Speech announced on 17 July 2024 plans for various bills including the Renters' Rights Bill (RRB).

This is largely a revival of the former government's Renters' Reform Bill, which did not quite make it through Parliament before the general election was called.

The RRB will abolish what are known as "no fault" section 21 notices, a welcome change for tenants in England.

## What is the "no fault" section 21 route to eviction?

Private landlords (and some registered providers of social housing) in England are currently able to serve a section 21 notice (pursuant to the Housing Act 1988) on its tenant(s) without the need to rely on any particular grounds (e.g. rent arrears). The tenants have assured shorthold tenancies and landlords can serve a (two-month) section 21 notice at any point after the fixed term has ended (or sooner if a break clause allows). Although, it should still be noted a section 21 notice cannot be served within the first four months of a tenancy.

The 'no fault' route has been highly criticised for its ability to essentially demand vacant possession of a property and in turn render someone homeless without the need to give a reason for doing so (and often without the tenant ever being at fault).

The section 21 route to eviction also provides landlords with the option of issuing 'accelerated' proceedings if the tenant does not vacate. This is considered faster than a standard claim for possession as there is no hearing (assuming the papers are in order and a defence is not filed).

There are plenty of actions (or lack thereof) that can render a section 21 notice invalid. For example, a landlord must not take more than 5 weeks' rent as deposit, this must be protected in a scheme within 30 days of receipt, and the deposit certificate and other prescribed information must be provided to the tenant. If any of this is not done, the section 21 notice will likely be invalid. Similarly, a property must have an Energy Performance Certificate rated 'E' or above and a copy must have been provided on commencement to the tenant. If this was not done, any section 21 notice served will be invalid.

The accelerated claim form is very involved and requires various tenancy documents to be exhibited and their dates of service to be confirmed. If a landlord has not done this, a judge may find the notice and claim to be invalid, or the tenant may raise an effective defence.

#### When will these changes come into force?

Labour has promised to abolish the section 21 notice immediately, but the matter will need to go through Parliament again before receiving Royal Assent. This will again take time, but the previous debates made on the Renters Reform Bill and the fact that both parties are committed to such change, should help speed up the process.

The previous Bill provided for a transitional period for existing tenancies. There is not yet any detail to confirm whether there will still be a transitional period.

# What will the alternatives be for landlords to obtain possession?

Aside from the section 21 route, the landlord currently also has the option of serving a section 8 notice. This is generally served when the tenant has breached their tenancy agreement (e.g. rent arrears or anti-social behaviour) or other specific circumstances (e.g. the landlord wants to fully renovate the property). The various grounds are set out in Schedule 2 of the Housing Act 1988.

The Renters Reform Bill had proposed a number of new grounds for eviction, and it is expected the RRB will provide for similar.

# Other key features of the RRB include:

- The right for tenants to request permission to have a pet at the property. This is not to be unreasonably refused by the landlord.
- The application of "Awaab's Law" into the private sector, which requires social housing landlords to investigate and remedy hazards such as mould within a given timeframe.
- It will be illegal for landlords to discriminate against tenants that have children or are in receipt of benefits, when considering new tenants.
- Strengthening tenants' abilities to challenge rent increases and ending rental bidding wars.
- · A digital database with information resources for landlords and tenants.

It has been debated in Parliament that the change will likely increase court delays (as the accelerated route will be disposed of). To counteract this, it has been proposed that a new private sector ombudsman service will be introduced, which will hopefully help parties to reach a resolution without the need for court proceedings.

#### Final thoughts

The RRB coming into legislation will be a relief for tenants who can rest assured they will not be served with a notice to vacate their rented home unless the landlord is relying on specific grounds.

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