Landlords, the renters' rights act key points

Our property specialists will help you comply and protect your returns

Introduction

The Renters' Rights Act will impact private rental property in England.

The Act will

"... transform the private rental sector by enhancing tenant protections, improving housing standards, and creating a fairer balance between landlords and renters." - **UK Gov**

For the majority of landlords, there should actually be little impact where a tenancy has been executed correctly. We highlight the key provisions to help your understanding.

Tenancy Agreements

- Current Assured Shorthold Tenancies will become Assured Tenancies.
- This means that any end date noted within the current agreement would no longer stand.
- All new tenancies will also be Assured Tenancies.
- The tenancy will run until either the landlord or tenant brings the tenancy to an end under the provisions of the Act

Ending a Tenancy

Landlords can still seek possession but will need a valid reason for ending a tenancy.

A Section 8 Notice will be needed as Section 21 Notices will no longer be able to be used.

Landlords will be able to seek possession in various circumstances, known as 'mandatory' or 'discretionary'.

- **Mandatory:** possession must be granted if the ground is proven.

- **Discretionary:** no guarantee of possession as it's at the judge's discretion. Usually used to reinforce a mandatory ground.

We can guide you through the process and arrange for the service of the Section 8 Notice

Mandatory Grounds*

Including but not limited to when:

- You wish to sell the property.
- You or a close family member needs to move into the property.
- Your tenant is in breach of contract (such as rent arrears).
- The tenant has at least 3 months' (or 13 weeks' if rent is paid weekly or fortnightly) rent arrears both at the time notice is served and at the time of the possession hearing.

Discretionary Grounds*

Including but not limited to when:

- The tenant is in any amount of arrears or has persistently delayed paying their rent.

- The tenant is guilty of breaching one of the terms of their tenancy agreement (other than the paying of rent).

- The tenant has caused the condition of the property to deteriorate.

- The tenant has caused the condition of the furniture to deteriorate.

- The tenant or anyone living in or visiting the property has been guilty of behaviour causing, or likely to cause, nuisance or annoyance to the landlord.

* See Appendix for detail

Notice Periods - Landlords

If a landlord wishes to either sell or move into the property they will be required to provide 4 months' notice. The tenancy must have commenced at least 1 year prior to expiry of the notice.

Landlords can seek possession for the non-payment of rent once their tenant is at least 3 months in arrears.

The property cannot be relet within 12 months of a notice being served stating the property will be sold.

Notice Periods - Tenants

Tenants will be required to provide landlords with **2 months'** notice of their intention to end a tenancy.

The end date must align with the end date of a rent period.

This will apply to all tenancies from the date of implementation irrespective of any fixed term agreed prior to that date.

Landlords should ensure the property is presented to the best possible standard at tenancy start under new terms to minimise risk of notice being served.

Rent Increase

Landlords will still be able to increase rent **once a year** to market rent, subject to giving their tenant 2 months' notice.

We can assist landlords with the annual rent review, including serving the required Section 13 Notice on the tenant.

A pre-existing tenancy agreement with a clause enabling the automatic increase of rent will not be enforceable once the Act is implemented.

Rent in Query

If a tenant challenges the increase notified to them, we will of course endeavour to negotiate a position that is acceptable to all.

With agreement not being met, tenants can apply to the First Tier Tribunal for a determination. They must apply prior to expiry of the Section 13 Notice notifying them of the increase.

The increase is not payable until the Tribunal has made its determination.

Government will have the power to decide whether this is payable from expiry of the Section 13 Notice or from when the tribunal makes its decision.

Rent – Further Points

Landlords and agents will be prevented from inviting and accepting offers more than the advertised rent. Ensuring the property is marketed at the correct price is therefore even more important.

Rent can only be collected once tenancy agreements have been signed, and this cannot exceed 1 months' rent.

Rent paid in advance before the Act comes into force will not need to be returned.

Student Lets

Under current proposals, landlords will have the ability to gain possession of a House of Multiple Occupation which is let to full-time students in line with the academic year.

This mandatory ground cannot be used if the tenancy was agreed more than 6 months in advance of the tenancy starting (i.e. the tenant moving in).

Pets

Landlords may refuse consent for a pet to be kept but they must be able to reasonably justify why not.

If the tenant disagrees, this might result in the matter being referred to the Ombudsman.

Ombudsman & Database

Landlords will be required to join an Ombudsman scheme.

Landlords will also be required to register with a landlord database.

Details are still to be confirmed, and it is unlikely that either scheme will be in place when the Act is implemented.

Property Standards

More information is awaited on this provision which aims to build on existing regulations in setting clear standards around the condition, maintenance, and repair of tenanted properties.

Appendix - Mandatory Grounds

Ground	Description	Notice Period
1	Landlord/family moving in (tenancy must be 12+ months)	4 months
1A	Landlord selling property (tenancy must be 12+ months)	4 months
1B	Social housing rent-to-buy	4 months
2	Mortgage repossession	4 months
2	ZA–2ZD Possession due to end of superior lease	4 months
4	Student accommodation (used for students in prior 12 months)	2 weeks
4	A Student let (HMO let to students, reclaim after academic year)	4 months
5	Ministers of religion	2 months
5	A–5H Employment-related or supported housing grounds	2–4 weeks
6	Redevelopment (must be 6+ months into tenancy)	4 months
6	A Enforcement action (e.g. HMO license revoked)	4 months
7	Death of tenant (must act within 24 months)	2 months
7	A Severe ASB/criminal behaviour	Immediate*
7	B No right to rent	2 weeks
8	Rent arrears (3+ months arrears)	4 weeks

Appendix - Discretionary Grounds

Ground	Description	Notice Period
9	Suitable alternative accommodation available	2 months
10	Any rent arrears	4 weeks
11	Persistent late rent	4 weeks
12	Breach of tenancy (non-rent)	2 weeks
13	Property deterioration	2 weeks
14	Anti-social behaviour	Immediate*
14A	Domestic abuse (social landlords only)	2 weeks
14ZA	Offence during riot	2 weeks
15	Deterioration of furniture	2 weeks
17	False statement to obtain tenancy	2 weeks
18	Supported accommodation – tenant not engaging	4 weeks

How We Can Help

As your local agent, we are here to support you through these changes:

- We can help navigate the new regulations, ensuring compliance and minimising risks

- Our expertise in tenant selection and thorough referencing processes remains crucial

- We can assist in setting appropriate rental prices, simplifying the letting process

- We offer guidance on maintaining high property standards to attract and
retain good tenants

- We can provide assistance with rent and legal protection insurance to safeguard your income

With our support, your rental investment can continue to thrive under the new regulations.