

The Rt Hon Alex Chalk KC MP
Lord Chancellor and Secretary of State for Justice
Ministry of Justice
102 Petty France
London
SW1H 9AJ

9 August 2023

Dear Lord Chancellor,

Improving access to justice for landlords, letting agents and tenants

Following the publication of the Renters (Reform) Bill on 17 May 2023, I am writing on behalf of Propertymark and our largest corporate members. The Bill includes several measures that will pave the way for fundamental change in the way that tenants rent property and subsequently will impact letting agents and their landlords.

You will be aware that through the Bill, the UK Government has pledged to abolish Section 21 (of the Housing Act 1988) possession notices but recognising that there are many reasons why a private landlord may seek possession of their property, the UK Government are moving towards extended grounds-based approaches for possession via a Section 8 notice.

As you will know, a third of all possession cases are Section 21 notices which are 'accelerated' claims that bypass the courts system. Therefore, the removal of Section 21 will mean more cases going through the courts. Consequently, there is concern that without increasing capacity in the court system, once the changes come into force, letting agent agents and their landlords will not know how long they will be expected to wait for a hearing and ultimately possession of their property.

To improve access to justice for both landlords, letting agents and tenants, it is imperative that the removal of Section 21 takes place alongside essential court reform. While court procedures are a last resort, the reforms set out in the Bill will mean that where landlords want their property back, they will now have to go to court, but without improving capacity in the court system these proceedings will be lengthy and expensive. Currently, our members are unclear as to what progress the UK Government have made to improve capacity in the court system and digitise the process.

Moving forward, there needs to be a better rationalisation of dispute resolution for housing and property disputes because the ability for landlords to access a swift, efficient, and cost-effective justice system is a key component of a successful lettings industry. While embedding alternative and more preventative approaches to dispute resolution can potentially help more tenants stay in their homes and continue rent payments to more landlords, there will inevitably be situations where recovering possession of a property via the court system is the only viable option. However, the current system does not currently provide a reliable route to justice for landlords in these circumstances.

While most tenancies are ended by the tenant, landlords need to be confident that a property can be recovered quickly if the tenant has caused damage, stopped paying the rent or if the landlord's circumstances change. Through adequately resourcing and reforming the existing courts system this will speed up the system, increase expertise in the decision-making process and ensure greater

consistency with reduced costs. Failure to fund the courts properly means a lack of justice for landlords and tenants.

Due to the significant impact and change to the sector that would be introduced as a result of the UK Government's plans to reform the rented system, the UK Government must conduct a full pilot of the proposals to remove Section 21, mediation and a new possession process before rolling out the new reforms across the country. Through testing and learning this will provide better outcomes and ensure informed decision making. A pilot scheme would mirror the way that other important legislation has been introduced for the private rented sector, which was first trialled to measure its impact before being introduced fully.

Considering the importance of the UK Government's proposals, the UK Government can ensure the effective reform of tenancy law through plans to abolish Section 21 and strengthening repossession grounds for landlords by ensuring that a pilot of the new system is done over a substantial area with consideration taken for courts that currently struggle with the existing eviction process, before determining whether to proceed with the new system.

Additionally, for the proposals to work the court system must first be given enough time to prepare for the incoming changes to eviction rules. Landlords and letting agents will need a period longer than six months in order to familiarise themselves with the change in legislation. Additionally, if changes are introduced, after a pilot scheme, the sector must be given at least a minimum of 12 months before the legislation comes into force. During this time, landlords and letting agents will be able to familiarise themselves with the changes and the UK Government will be given sufficient time in order to conduct a full communications campaign to inform those working and living in the private rented sector.

We would be extremely grateful if you could provide clarity on how this will improve the system for landlords, what appetite the UK Government has for a dedicated housing court and further clarification on how the process will be streamlined and improved for landlords to seek possession, tackle anti-social behaviour and recoup rent arrears when required.

Propertymark is the UK's leading professional body representing over 17,000 property agents operating in residential sales, lettings, commercial property, valuers, and auctioneers as well as inventory service providers. I am sending you this letter on behalf of our largest members who have co-signed it below.

We look forward to hearing from you and your officials can liaise with Propertymark's Head of Policy and Campaigns, Timothy Douglas, to discuss UK Government plans in further detail and possibly how we could support you. Your office can contact Timothy via telephone on 07920 588936 or by emailing timothydouglas@propertymark.co.uk

Best wishes,



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Propertymark

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