

Key points to raise with your local MP regarding the Renters' Rights Bill

Background

The Renters' Rights Bill is a significant piece of legislation that will impact millions of tenants and landlords as well as thousands of agents across the country. The legislation was introduced to the UK Parliament on 11 September 2024 <https://bills.parliament.uk/bills/3764>

The legislation will:

1. Reform the possession process by removing the use of section 21 notices for eviction
2. Change tenancy agreements to more open-ended tenancies removing fixed-term tenancies
3. Introduce new requirements for property standards and rent increases

Renters' Rights Bill

Demand for private rented property is the most pressing issue affecting letting agents, and there is concern that increased pressure from legislative change is shifting landlord opinion on investing in the private rented sector.

- Consequently, plans to abolish Section 21 will take away many protections that have allowed the private rented sector to grow since the late 1980s and dissuade landlords from reinvesting or deterring new entrants into the market.

Propertymark

You are a member of Propertymark, the UK's leading professional body for estate and letting agents, inventory providers, commercial agents, auctioneers and valuers, comprising over 18,000 members.

- We are member-led with a Board of practising agents, we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.
- Explain that there is no overarching statutory regulation of private sector letting or managing agents in England. Whilst Propertymark members have opted for voluntary regulation, there is no legal requirement for anyone to belong to a professional body.

Private Rented Sector

Increased pressure from legislative change, such as landlords' inability to offset finance costs against tax liabilities, is altering landlord opinion on investing in the private rented sector. A lack of property stock is the root cause of rent increases and rising figures on social housing lists.

- There are now an estimated 4.6 million privately rented households in England.¹
- There are an estimated 2.3 million landlords and 19,000 letting agents in England.

Letting agents

Agents play an important role in the private rented sector. They support landlords to understand and comply with their responsibilities and help tenants find suitable property to rent. The English Private Landlord Survey 2021 found that 46% of landlords used an agent for letting services and 18% used an agent for management services.

¹ <https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors/english-housing-survey-2022-to-2023-rented-sectors>

Renters' Rights Bill – talking points

Say that you support the measures to improve standards and protections for tenants, but you are concerned about the use of anti-landlord rhetoric and how this is leading landlords to take their properties off the market or leave the sector altogether. Furthermore, the lack of supply of homes to rent leads tenants who are desperate for somewhere to live, to offer increased rent.

- **Retaining fixed-term tenancies as an option** - a tenant should be able to agree to a fixed-term tenancy where it is mutually beneficial for both parties. A fixed term gives landlords and tenants a guarantee as to the length of time the tenancy will last. The tenant has security of tenure for the full tenancy period and the landlord knows that rent payments will be made for the whole fixed-term period. This is particularly important for student lettings.
- **Support student sharers** - removing fixed-term tenancies will impact the student market. To this end, the UK Government must extend Ground 4A to one or more student sharers, not just HMOs, move student Maintenance Loans to monthly instalments, and allow rents in advance for student renters and others to retain flexibility and access to housing.
- **Reducing the impact of short-term lets** - the UK Government must enact the Registration of short-term rental property requirements as passed in the Levelling-up and Regeneration Act 2023 alongside these reforms to level the playing field for landlords and the long-term rental market.
- **More homes to rent**- the UK Government must commit to reviewing all costs and taxes impacting private landlords to ensure landlords continue in the market and more landlords can meet the demand for homes to rent.
- **Court reform before Section 21 is abolished** - the UK Government acknowledge that court reform is essential. However, any proposed reforms will not be implemented before Section 21 is abolished. This will likely mean that courts, that are already having difficulty dealing with the volume of cases, will not be able to function. The UK Government must also provide more details and clarity on how the UK Government plan to digitise the court system and improve access to justice.
- **Allowing more pet-friendly properties** - there needs to be detailed guidance on what is meant by 'unreasonable' should the property not be suitable for pets. This is particularly important in rural areas where pets near livestock are unsuitable. The UK Government must also enable the level at which deposits are set to be more flexible to reflect the greater risk of renting with pets.
- **Phasing out local authority licensing schemes** - the proposed PRS Database should replace additional and selective licensing schemes administered by local authorities as they will duplicate their purpose.
- **Qualification and regulation of property agents** - introducing minimum standards to work in the sector and statutory rules to ensure letting agents are suitably qualified, this will provide parity with the social rented sector, drive up standards and help deliver a fairer private rented sector for tenants and landlords.