

A person in a white shirt is handing a key with a green 'p' tag to another person in a blue and white striped shirt. The background is a blurred outdoor setting with warm lights.

propertymark

Supporting property agents
to adapt

RENTERS' RIGHTS BILL

OCTOBER 2024

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WHAT LETTING AGENTS NEED TO KNOW

Reform of the private rented sector (PRS) has been on the cards since at least 2019, and over the years Propertymark has worked with the UK Government and other stakeholders to push for a balanced approach for tenants and landlords.

Propertymark has met with housing ministers, given evidence at parliamentary committees and attended meetings with officials from the Ministry for Housing, Communities and Local Government (MHCLG) to express members' thoughts and concerns.

It is important to remember that the Renters' Rights Bill is currently going through the parliamentary process and is **not yet in force**. It will move to the Committee Stage and a Third Reading in the House of Commons before progressing to the House of Lords. This can take some time, with Ministers and Lords proposing, debating and voting on amendments. The Bill is expected to be passed by Summer 2025, and the proposals suggest most parts of the law will be immediately enforceable, except for longer-term plans such as creating the Property Portal and landlord database.

This Bill presents significant developments in the rental sector, and **agents must make themselves aware of the changes and begin to disseminate this information to their landlords**. Using training and information provided by Propertymark will help members stay on top of new amendments and will enable them to prepare for the future.

Ultimately, the PRS is a key resource in providing accommodation for those who need it. We know that demand significantly outstrips supply, so the market will stay strong and agents who are on top of the changes the legislation presents will find that they can adapt and continue to provide this invaluable service.

What will happen next?

A Public Bill Committee of MPs will now scrutinise the draft legislation line by line and will provide the first opportunity to propose, debate and vote on suggested amendments and new clauses. The Committee Stage is expected to be complete by 28 November 2024.

PROPERTYMARK ACTIONS

1. Met the Housing Minister and Baroness Taylor before the publication of the Bill.
2. Attended and exhibited at Labour, Liberal Democrat, and Conservative party conferences and talked to MPs and Ministers about the reforms.
3. Hosted a virtual roundtable with Propertymark Regional Executives and officials from MHCLG. Wrote to Matthew Pennycook, MP, detailing the feedback and proposals to amend the Bill.
4. Opened dialogue with the Secretary of State for Justice and Baroness Taylor about court reforms, and requested in-person meetings.
5. Briefed MPs ahead of the Second Reading, with follow up emails to all MPs who made significant contributions to build support for our amendments.
6. Requested a meeting with the Shadow Housing Minister and the new chair of the Housing Committee.
7. Hosted two webinars explaining the changes and how to prepare.
8. Timothy Douglas, Propertymark's Head of Policy and Campaigns, **gave evidence on 22 October 2024** to the Public Bill Committee — [view a synopsis](#).



JOIN THE CAMPAIGN

Writing to your MP as a local resident and business owner or employee is a powerful way of ensuring your voice is heard. There is huge demand for rented property across the country, so it is vital that legislative change is fit for purpose and does not cause landlords to leave the sector or deter new entrants from providing much needed homes to rent.

propertymark.co.uk/rental-reform-toolkit

RENTERS' RIGHTS BILL FACES STRONG CHALLENGES



Timothy Douglas

Head of Policy and Campaigns
Propertymark

“

Many MPs raised Propertymark's concerns that the UK Government hasn't yet produced an impact assessment on the changes and the removal of fixed term tenancies that currently ensure tenants and landlords know how long the rental period is and what their rent costs are.

Propertymark will engage further to ensure the Bill is evidence based and the role of property agents is incorporated fairly so they can support measures to drive up standards across the private rented sector. This will provide benefits for tenants and landlords alike.

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KEY PROVISIONS OF THE RENTERS' RIGHTS BILL

- Abolish Section 21 'no fault evictions', and add new and expanded possession grounds under Section 8.
- Introduce new measures to end rental bidding wars.
- Give tenants the right to request a pet and landlords the ability to require insurance cover for potential damage.
- Apply a Decent Homes Standard and Awaab's Law to the PRS.
- Create a digital PRS database with key information for landlords, tenants, and councils.
- Establish a new ombudsman service for PRS landlords.
- Make it illegal for landlords to discriminate against tenants in receipt of benefits or with children when choosing to let their property.
- Strengthen local council enforcement powers with expanded Rent Repayment Orders and increased fines.

ABOLISHING SECTION 21 AND EXPANDING GROUNDS FOR POSSESSION

Through the Bill, the UK Government is fulfilling their long-standing promise to abolish Section 21 notices for both new and existing tenancies, and all assured shorthold tenancies will be replaced by assured periodic tenancies.

The abolition of Section 21 and the removal of shorthold tenancies is a move that the UK Government believes will allow tenants to feel more secure in their tenancy, with more security to challenge poor practice and unfair rent increases. Landlords will have to rely on Section 8 to repossess properties.

Tenants will have the ability to terminate their tenancy by serving 2 months' notice, however, the end of the tenancy will need to align to the dates of the rental period.

USING SECTION 8 TO REGAIN POSSESSION

To ensure landlords can still gain possession of their properties, the UK Government has strengthened the grounds for possession defined in law as outlined under Section 8 of the Housing Act 1988.

Landlords can currently serve a Section 8 notice on an assured or shorthold assured tenant to begin repossession proceedings. The landlord must have a reason for doing this which should fall under the grounds for possession. A landlord can state more than one ground for possession as long as they demonstrate that the grounds stated are applicable.

Importantly, under the grounds for possession landlords will still be able to regain possession of their properties if they wish to sell, or if they or a family member want to move in, however neither of these grounds can be used for the first 12 months of a tenancy.

Once the Renters' Rights Bill is passed a Section 8 notice will be the only way for landlords to regain possession of their properties so it is important that both agents and landlords familiarise themselves with the grounds.



MANDATORY GROUNDS FOR POSSESSION

Ground		Summary	Notice period
1	Occupation by landlord or family	The landlord or their close family member wishes to move into the property. Cannot be used for the first 12 months of a new tenancy.	4 months
1A	Sale of dwelling-house	The landlord wishes to sell the property. Cannot be used for the first 12 months of a new tenancy.	4 months
1B	Sale of dwelling-house under rent-to-buy	The landlord is a private registered provider of social housing and the tenancy is under a rent-to-buy agreement.	4 months
2	Sale by mortgagee	The property is subject to a mortgage and the lender exercises a power of sale requiring vacant possession.	4 months
2ZA	Possession when superior lease ends	The landlord's lease is under a superior tenancy that is ending. Can only be used by private registered providers of social housing, agricultural landlords, a person who held the dwelling for the purposes of making it supported accommodation or a company majority owned by a local authority.	4 months
2ZB	Possession when superior lease ends	The landlord's lease is under a superior tenancy that is coming to an end or has ended. Can only be used if the superior lease was for a fixed term of over 21 years.	4 months
2ZC	Possession by superior landlord	After a superior tenancy ends, the superior landlord becomes the tenant's direct landlord and seeks to take possession. Can only be used where the intermediate landlord prior to reversion was a private registered provider of social housing, agricultural landlord, a person who held the dwelling for the purposes of making it supported accommodation or a company majority owned by a local authority.	4 months
2ZD	Possession by superior landlord	After a superior tenancy ends, the superior landlord becomes the tenant's direct landlord and seeks to take possession. Can only be used where the superior lease was for a fixed period of over 21 years and has expired, or within a 12 month period of the fixed term expiry date, if the fixed term has been ended early. Or if the superior tenancy comes to an end after the expiry of the fixed term as a result of a valid notice.	4 months

MANDATORY GROUNDS FOR POSSESSION CONTINUED...

4	Student accommodation	In the 12 months prior to the start of the tenancy, the property was let to students. Can only be used by specified educational establishments.	2 weeks
4A	Properties rented to students for occupation by new students	A property is let to full-time students and is required for a new group of students in line with the academic year.	4 months
5	Ministers of religion	The property is held for use by a minister of religion to perform the duties of their office and is required for occupation by a minister of religion.	2 months
5A	Occupation by agricultural worker	The landlord requires possession to house someone who will be employed by them as an agricultural worker.	2 months
5B	Occupation by person who meets employment requirements	A private registered provider of social housing holds the property for use by tenants meeting requirements connected with their employment and it is required for that purpose (and the current tenant does not fulfil those requirements).	2 months
5C	End of employment by the landlord	Previously ground 16 (expanded). The dwelling was let as a result of the tenant's employment by the landlord and the employment has come to an end OR the tenancy was not meant to last the duration of the employment and the dwelling is required by a new employee.	2 months
5D	End of employment requirements	A private registered provider of social housing, included an employment requirement in the tenancy agreement that the tenant no longer fulfils (e.g., key worker).	2 months
5E	Occupation as supported accommodation	The property is held for use as supported accommodation and the current tenant did not enter the tenancy for the purpose of receiving care, support or supervision.	4 weeks
5F	Dwelling-house occupied as supported accommodation	The tenancy is for supported accommodation and one of the circumstances set out in the ground, making the accommodation no longer viable or suitable for that tenant, has occurred.	4 weeks
5G	Tenancy granted for homelessness duty	The property has been used as temporary accommodation for a homeless household, under s193 of the Housing Act 1996, and a local housing authority has notified the landlord that the tenancy is no longer required for that purpose. The landlord can only use this ground if within 12 months of the date of the notice from the local housing authority.	4 weeks

MANDATORY GROUNDS FOR POSSESSION CONTINUED...

5H	Occupation as 'stepping stone accommodation'	A registered provider of social housing or a charity lets to a tenant meeting eligibility criteria (e.g., under a certain age) at "affordable rent", to help them access the private rented sector and/or transition to living independently, and the tenant no longer meets the eligibility criteria, or a limited period has come to an end.	2 months
6	Redevelopment	The landlord wishes to demolish or substantially redevelop the property which cannot be done with the tenant in situ. Various time limits and/or notice requirements exist for this ground depending on the circumstances. The landlord and tenancy must be of the kind listed in the table.	4 months
6A	Compliance with enforcement action	The landlord is subject to enforcement action and needs to regain possession to become compliant.	4 months
7	Death of tenant	The tenancy was passed on by will or intestacy. Possession proceedings must begin no later than 12 months after death or, if the court directs, after the date on which the landlord became aware of the death.	2 months
7A	Severe ASB/Criminal Behaviour	The tenant has been convicted of a type of offence listed in the ground, has breached a relevant order put in place to prevent anti-social behaviour or there is a closure order in place prohibiting access for a continuous period of more than 48 hours.	Landlords can begin proceedings immediately
7B	No right to rent	At least one of the tenants has no right to rent under immigration law as a result of their immigration status and the Secretary of State has given notice to the landlord of this.	2 weeks
8	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.	4 weeks

DISCRETIONARY GROUNDS FOR POSESSION

Ground		Summary	Notice period
9	Suitable alternative accommodation	Suitable alternative accommodation is available for the tenant	2 months
10	Any rent arrears	The tenant is in any amount of arrears	4 weeks
11	Persistent arrears	The tenant has persistently delayed paying their rent,	4 weeks
12	Breach of tenancy	The tenant is guilty of breaching one of the terms of their tenancy agreement (other than the paying of rent).	2 weeks
13	Deterioration of property	The tenant has caused the condition of the property to deteriorate.	2 weeks
14	Anti-social behaviour	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, a person employed in connection with housing management functions, or anyone living in, visiting or in the locality of the property. Or the tenant or a person living or visiting the property has been convicted of using the premises for illegal/immoral purposes, or has been convicted of an indictable offence in the locality.	Landlords can begin proceedings immediately
14A	Domestic Abuse	A social landlord wishes to evict the perpetrator of domestic violence if the partner has fled and is unlikely to return.	2 weeks
14ZA	Rioting	The tenant or another adult living at the property has been convicted of an indictable offence which took place at a riot in the UK.	2 weeks
15	Deterioration of furniture	The tenant has caused the condition of the furniture to deteriorate.	2 weeks
17	False statement	The tenancy was granted due to a false statement made knowingly or recklessly by the tenant or someone acting on their instigation.	2 weeks
18	Supported accommodation	The tenancy is for supported accommodation and the tenant is refusing to engage with the support.	4 weeks

NEW MEASURES TO END RENTAL BIDDING WARS

Guidance on the Bill states that the UK Government intends crack down on a minority of unscrupulous landlords who exploit the housing crisis to increase their rental income.

To prevent competitive bidding, the Bill will require landlords and letting agents to publish an asking rent for a property, and make it illegal to ask for, encourage, or accept any bids above this price. Ignoring these rules could lead to civil penalties of up to £7,000.



TENANTS WILL HAVE THE RIGHT TO REQUEST A PET

The Bill aims to make it easier for tenants to keep pets, however, there are several caveats. While tenants will get the right to request a pet, landlords will be able to stipulate that tenants have insurance in place to cover potential damages to their property. However, the Bill doesn't try to pin down all of the possible reasons a landlord could reasonably refuse permission for a pet, so plenty of discretion remains.

WHAT IS A REASONABLE JUSTIFICATION FOR A LANDLORD TO REFUSE A REQUEST FOR A PET?

Landlords must fully consider all requests on a case-by-case basis. It would not be possible to legislate for every situation where a landlord would or would not be able to 'reasonably' refuse a pet. It will always be reasonable for a landlord to refuse a request when their superior landlord prohibits pets.

WHAT HAPPENS IF A LANDLORD UNREASONABLY REFUSES?

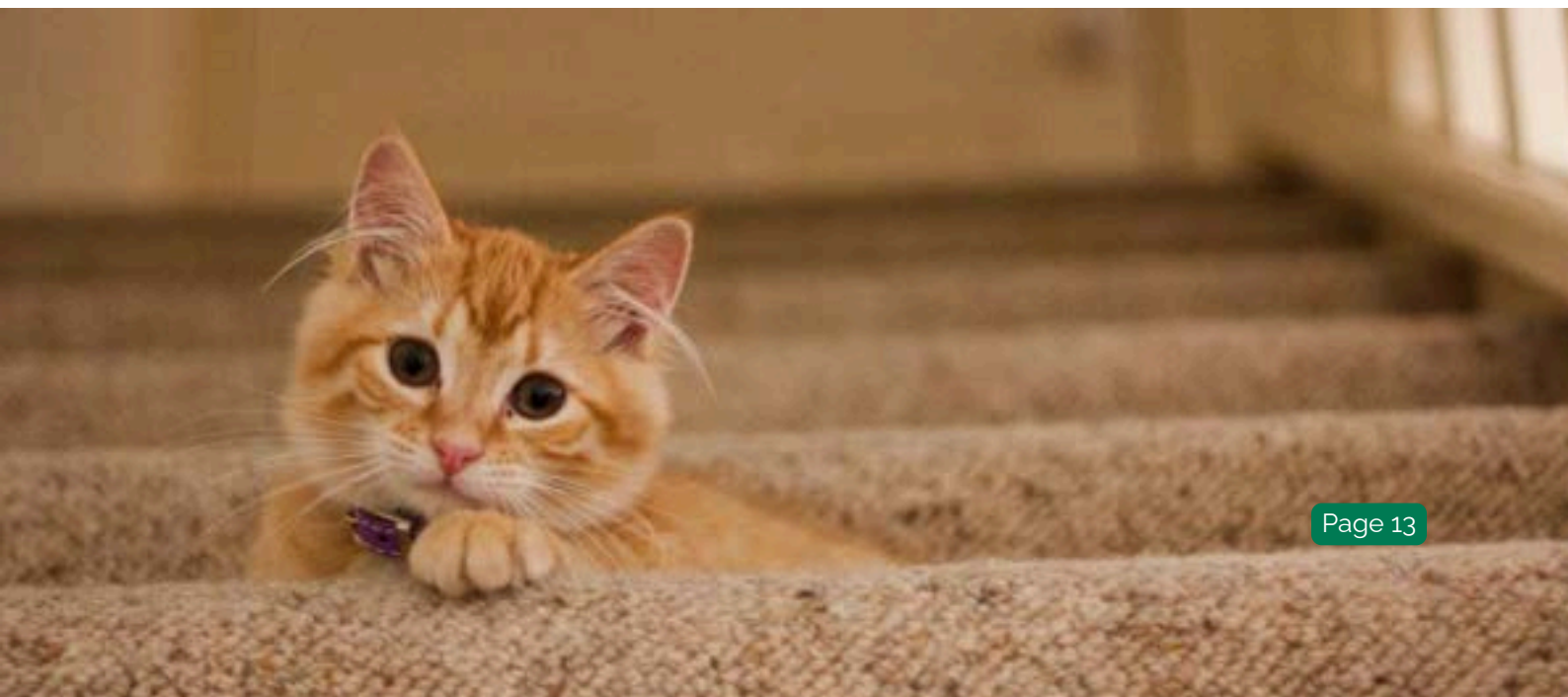
Tenants will be able to escalate their complaint to the Private Rented Sector Ombudsman or they could take the case to court. A final decision will be based on the evidence provided by both parties.

WHAT HAPPENS IF A PET DAMAGES A PROPERTY?

The Tenant Fees Act 2019 will be amended so landlords can require insurance to cover any damage caused by pets at the property. If the landlord takes out the insurance, those reasonable costs will be recoverable from the tenant.

Tenants also pay a tenancy deposit which can be used for damages although landlords should not attempt to recover costs twice for the same damage.

If the insurance and deposit do not cover the cost of the damage, a landlord could take the tenant to court to recoup additional funds in line with wider rules in the sector.



APPLYING A DECENT HOMES STANDARD AND AWAAB'S LAW TO THE PRS

The UK Government announced measures affecting letting agents, landlords, and tenants at the 2024 Labour Conference with Awaab's Law, brought forward to Autumn 2024 for the social rented sector, a consultation on a new Decent Homes Standard across all rented sectors imminent.

If a privately rented property fails to meet DHS requirements, the local council will have a range of enforcement mechanisms available. This includes issuing an improvement notice requiring the landlord to remedy the failure within a specified timescale, as well as issuing civil penalties of up to £7,000.

Awaab's Law, currently applied in the social housing sector, will be extended into the PRS. This law imposes stringent conditions on social landlords to investigate hazards such as damp and mould within 14 days, start repair work within seven days, and make emergency repairs within 24 hours.

The UK Government is aware that this is a difficult proposition for the PRS and has agreed to consult on its introduction. Further detail will be provided.



NEW LANDLORD DATABASE

A commitment has been made to establish a new Property Portal that would include all the vital information agents, tenants and landlords need to know. This information will range from legal requirements to rights and the landlord's history of compliance.

Landlords, irrespective of whether they use an agent, will be legally required to register themselves and their properties on the database. Failure to do so could result in significant fines ranging from £7,000 for an initial breach to £40,000 or a criminal prosecution for repeat offences.

A NEW OMBUDSMAN SERVICE

Under the Bill, regardless of whether they use a professional agent or not, landlords will have to join a new Ombudsman service which will provide complaint resolution services for tenants and have the power to compel landlords to issue apologies, provide information, carry out remedial action, and pay compensation.

Agents who advertise properties where the landlord is not registered could face enforcement action from local councils, ranging from civil penalties of up to £7,000 to criminal prosecution or fines of as much as £40,000 for repeated breaches. These penalties will also apply to the landlords themselves, and tenants will have the right to seek Rent Repayment Orders if their landlord persistently fails to register with the Ombudsman.

Landlords will need to be registered on the database in order to use certain possession grounds, and as with existing ombudsman schemes, the landlord will agree to adhere to any decisions made by the new ombudsman. Costings of the new scheme are yet to be announced.

DISCRIMINATION AGAINST TENANTS IN RECEIPT OF BENEFITS OR WITH CHILDREN

Although landlords will still have the final say over who rents a property, checks must be based on affordability and it will be illegal to refuse a tenancy purely because a prospective tenant has children or receives benefits. The UK Government says it is working closely with the Welsh and Scottish Governments to ensure these measures are applied across the three countries.

'No DSS' adverts will be stopped and indirect practices intentionally designed to prevent families with children or people who receive benefits from entering into a tenancy will be illegal.

In regard to suitability of a property, it will be for those letting properties to consider whether excluding prospective tenants with children represents a proportionate means of achieving a legitimate aim and landlords would need to be able to evidence their decision on a case-by-case basis.



STRENGTHENING COUNCILS' ENFORCEMENT POWERS

Through the Bill, the UK Government will extend councils' powers to collect and retain revenue for future enforcement work from financial penalties against landlords who flout the rules.

Initial or minor non-compliance will incur extended civil penalties of up to £7,000 and serious, persistent or repeat non-compliance, a civil penalty of up to £40,000, with the alternative of a criminal prosecution.

Councils will be provided with a range of new investigatory powers which will allow them to enforce new reforms, including powers to require information from relevant persons and any persons and powers of entry to business and residential premises.



WHAT ARE THE NEW INVESTIGATORY POWERS?

The power to enter business premises and, in more limited circumstances, residential premises to obtain on-site evidence such as emails, texts, and tenancy agreements. Power to require information from third parties such as banks, accountants and client money protection schemes, as an additional route to get vital evidence to build cases.

Tenants will be able to apply to the First-Tier Tribunal for a rent repayment order. If the Tribunal is satisfied beyond reasonable doubt that the landlord has committed one of the listed offences, it can order the landlord to repay an amount of rent. The maximum amount of rent a landlord can be ordered to pay will double from 12 to 24 months.

PROPERTYMARK MEMBER DATA

Reforming the PRS — letting agent views

- 88% think the courts will not have enough resources after Section 21 has been removed.
- 75% are concerned about limiting the ability to accept rent payments in advance. This has serious implications for some tenant groups: 94% believe that removing the ability to pay in advance would be detrimental to individuals without guarantors, and 62% think it would be detrimental to overseas students who often struggle to find a UK based guarantor.
- 62% think the removal of fixed term tenancies would have negative implications for tenants.

Reforming the PRS — landlord views

- 72% concerned about the removal of Section 21.
- 69% concerned about the removal of fixed term tenancies.
- 62% concerned about the removal of rent review clauses.

Renting with pets

In February 2021, 84% of members said they have had incidents of pet owners keeping pets without the landlord's consent. 85% of landlords have incurred damage to their property by pets and 57% were unable to recoup the costs of pet damage.

66% of landlords and agents see specialist pet damage insurance as the key to encouraging more pet-friendly rentals.

[Download the Propertymark Renting with Pets Guide](#)

Impact of Section 24 on buy-to-let landlords

The introduction of Section 24 was predicated on a need for fairness in the tax system and a need to reduce the risk of financial instability posed by the growing buy-to-let sector.

The measure pushed some landlords into higher tax bandings and has reduced the financial viability of existing investments, with many reporting breaking even or being in loss-making positions. In some cases, landlords appear able to withstand the impact, whereas others have much lower levels of financial resilience.

As a result of the measure, those in the latter category have seen their living standards compromised, have struggled to pay bills, and in some cases, appear to be in a precarious financial position.



Impact of short term lets

Given the current state of the PRS, large numbers of landlords switching to the short-term lettings is a likely scenario. The most cited reason behind landlords planning to reduce or sell their entire portfolios was 55%.

- 46% due to the greater flexibility afforded by short-term lets,
- 37% because regulations on long term lets are too burdensome,
- 31% because they can charge higher nightly rents.

This suggests that there are several incentives for landlords to move into the short-term lettings sector. Even if legislation caps the number of days landlords can rent out a property for short-term let, short-term lettings can still be more profitable for landlords.

[View all the Propertymark research and position papers](#)

TRAINING TO PREPARE AGENTS

Your exclusive opportunity to learn from renowned industry expert and solicitor Tessa Shepperson who will take you through some of the main areas where the Bill will affect landlords and agents. She will provide tips, insights and advice on how to prepare for this new regime.



TOPICS INCLUDE

- The end of fixed-term tenancy agreements
- The abolition of Section 21 and what this will mean for landlords and letting agents
- Preparing for the new repossession rules
- Dealing with the new rules for increasing rent
- New rules on decent homes and Awaab's law
- Clause 12 and new rules for tenancy agreements
- The new enforcement rules, rent repayment orders, and
- The killing of 'rent to rent'



Virtual course



Various dates available | 10:00 – 12:00 am



£99.00 +VAT for members



propertymark.co.uk/preparing-for-the-renters-rights-bill

MEMBER HELPLINES

Run by trained specialists, there is no limit to how often you can benefit from this free service. The support helps you with any day-to-day questions, along with general business practice and new legislation.

We may already have the answer, though, take a look at the suite of Helpline FAQs covering the hottest topics.

propertymark.co.uk/membership/helpline



COMPLIANCE SUPPORT

With resources stretched, few agents can be up-to-date on every area of compliance all the time. Our friendly, knowledgeable Compliance Support Experts can help. They will visit members in their offices and identify areas that are vulnerable to enforcement action and help make the changes they need before fines are issued.

The Compliance Support Experts will visit your branch on an agreed date to work with your team for around three hours, focussing on areas including (but not limited to) anti-money laundering, client money protection, data and consumer protection.

At a minimal cost with a confidential report of easy-to-follow actions, find out more and book a visit.

propertymark.co.uk/professional-standards/calm-about-compliance