

The government has made proposals to overhaul the private rented sector in a white paper published earlier this month.

The proposals seek to tackle the various injustices to private tenants, such as living in unfit homes, retaliatory evictions and being required to leave a home for no particular reason. Although the proposals are largely tenant friendly, the paper also proposes support for landlords in the form of stronger grounds where possession is justified and providing alternative means for dispute resolution to avoid expensive court fees.

The proposals include the following major changes to the sector:

1. Abolishing Section 21 “no fault” notices that can be served at a landlord’s discretion with no explanation and only give as little as two months for a tenant to find alternative accommodation and vacate the property
2. Blanket ban of refusing tenants on benefits or with children
3. Further and faster grounds for landlords to legitimately regain possession, including when the landlord intends to sell the property
4. Appointment of a compulsory Ombudsman for resolving disputes
5. Property portal with potential for “naming and shaming” landlords
6. Landlords will no longer be able to unreasonably refuse requests for pets to live in homes

The other proposals include:

1. To halve the number of poor-quality private rented homes by 2030
2. Trialling new schemes to enforce decent home standards
3. Only one rent increase per year with the ability to challenge increases
4. Strengthened options to avoid the involvement of courts and addressing court delays
5. Strengthened powers for local councils to investigate and fine serious offences
6. Reviewing innovative solutions for deposits

Effect on Tenants

The cost of renting a home is higher than ever and the ban on charging administration fees under the Tenant Fees Act 2019 does not appear to have reduced the burden on tenants. Similarly, the cost of buying a house is also on the rise, which leaves many families unable to find a secure, affordable home. These changes will, therefore, be a welcome step forward for tenants in theory. However, the schemes above do not address the lack of availability of homes in both the social and private rented sectors.

Effect on Landlords

From a landlord’s perspective, property investment has, in recent years, been thought of as a lucrative business opportunity, but with the loss of control over who (or what) may be living in your property, this may be set to change. It is possible that landlords who let properties may decide to sell up to avoid any perceived risks from the new bill, particularly given the current buoyant housing market.

It will be interesting to see how these changes affect the rental market, if at all. If you have a property in the private rented sector and have any concerns about the proposed changes, do get in touch with our team.

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