



Chartered
Institute of
Housing

What you need to know about the Renters Reform Bill

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Bill objectives

The main purpose of the Bill is to:

- fulfil a manifesto commitment to end 'no fault' evictions whilst strengthening landlords' rights to possession for certain clearly defined circumstances (such as serious rent arrears)
- make the decent homes standard for private renters legally enforceable for the first time
- introduce the new ombudsman for private renters to create a housing market that is fairer and more balanced between the rights of tenants and landlords
- introduce a 'property portal' so that landlords become more aware of their legal obligations and that local councils can more easily identify the minority of non-compliant landlords who operate in their area.

The provisions in the Bill will apply to England only. The Government intends to publish a [White Paper](#) which will set out more detail about their proposals for reform.

Ending no fault evictions (section 21)

There are currently 4.4 million households in the private rented sector in England, making it the second largest tenure (19 per cent of households). The vast majority of these are let on assured shorthold tenancies which allows for no-fault ('section 21') evictions where if notice is correctly served the tenant has no effective defence. In 2019-20, more than one fifth of renters (22 per cent) were forced to move out of their previous tenancy other than by choice and faced an average of £1,400 of moving costs (as well as likely paying more for their new home). In the same year, 29 per cent of homeless applicants who were owed a prevention duty were caused by a section 21 notice. The

Government believes that ending 'no fault' evictions will provide greater security for private renters and empower them to challenge poor practice and property conditions without fear of retaliatory eviction.

The assured tenancy regime also applies to private registered providers (housing associations). [CORE](#) data on new lettings by private registered providers suggests that, except in the north, the use of assured shorthold tenancies ('starter tenancies') is fast becoming the default position rather than their use being determined by local circumstances. If the current trend continues most new lettings by private registered providers in the south of England will be shorthold tenancies. The end of no-fault evictions will also apply to housing association tenancies.

Some legal commentators have observed that ending section 21 is a 'double edged sword' because although the landlords' will no longer be able to get possession by service of notice alone, the Bill will strengthen their rights to possession by clarifying and extending the statutory grounds, for example by introducing new and stronger grounds for possession for rent arrears and anti-social behaviour. Tenants on low incomes who are already struggling to pay their rent, such as those on universal credit whose rent exceeds their local housing allowance, may still be at risk of eviction.



Extending the decent homes standard to private tenants

At present the [decent homes standard](#) (DHS) only applies to social rented tenancies and is currently [under review](#). Around one million (21 per cent) private rental homes don't meet the DHS. This is down from 41 per cent in 2009 but still much higher than other tenures (12 per cent of social sector homes and 16 per cent of owner-occupied homes).

Six out of every ten privately rented homes have an [energy performance certificate](#) (EPC) rating of Band D or less and one in ten private rented homes have an EPC rating that is lower than the current minimum requirement (Band E). Reducing [domestic energy](#) use is vital if the Government is to meet its [climate change targets](#). The Renters Reform Bill will make the DHS legally binding for all privately rented homes for the first time. The Government's aim is to reduce the number of non-decent rented homes by 50 per cent by 2030.



A new ombudsman for private renters

All social renter tenants in England have the right to escalate a complaint about their landlord to the housing ombudsman. At present only private tenants whose landlord has voluntarily opted into the housing ombudsman scheme or where their landlord uses an agent to manage the property have access to an [independent property redress scheme](#) if they make a complaint. Currently only around one half of private landlords use a managing agent. The Renters Reform Bill will introduce a new ombudsman for private landlords so that disputes can easily be resolved without the need to go to court and ensure that when residents make a complaint, landlords take action to put things right.

The property portal

Private landlords who fail to meet their legal obligations to their tenants may do so either inadvertently (for example if they lack the knowledge or the skills of what is required of them) or, in a minority of cases, because they have no intention of meeting them. Whilst local authorities are responsible for enforcement of property standards (and in the case of houses in multiple occupation, management standards) they can only do so if they are made aware of the problem if the tenant makes a complaint. In the most extreme cases, such as those that involve trafficking or abuse, landlords may operate without the local authority being aware of their existence. The Bill will also introduce a new 'property portal' to 'help landlords understand their obligations' and to 'help aid local authorities'. It seems likely that the commitment to introduce a 'property portal' will involve some sort of compulsory landlord registration scheme. The government has already been 'engaging with a range of stakeholders and potential users of a register such as private landlords, local authority enforcement officers, letting agents and private tenants to inform this work'.¹

¹Lord Greenhalgh, Minister of State (Department for Levelling Up, Housing and Communities), House of Lords Debates 28 March 2022.

Initial CIH view

We welcome measures to improve the experience of renting bill, particularly the abolition of no-fault evictions, which has been promised for a long time. It is positive to see action for further improvements, such as the application of the DHS to the private sector, and the establishment of the Ombudsman and portal to support private landlords to understand and fulfil their obligations, and to enable tenants to better hold their landlords to account.

Further details about the end of no-fault evictions (section 21)

The Government carried out a consultation for its proposals to end shorthold tenancies in October 2019 ('[A New Deal for Renting](#)'). The proposals in the consultation were broadly supported by the [Chartered Institute of Housing](#) and the two main trade bodies (the [National Residential Landlords Association](#) and the [National Housing Federation](#) (NHF)).

Some social landlords have argued that section 21 should be retained:

- in general, for use by all social landlords because other safeguards apply. CIH did not support this proposal, mainly because it would not be impartial when judging a landlord's own cause in a dispute. The regulator does not engage in individual disputes and the Housing Ombudsman cannot take up issues that are within the jurisdiction of the courts; so neither the regulator nor the ombudsman provides an effective safeguard. It would be perverse if social tenants ended up being less secure than private tenants.

- For certain types of tenancy such as supported housing. CIH only supports exceptions in the limited situations where that accommodation would cease to be viable without a no-fault procedure. Most sheltered housing is let on assured tenancies with full security, whilst hostels and other similar accommodation already fall outside statutory security and are let on licences. Both CIH and NHF support retention for the following limited exceptions:

- o 'short-life' housing (such as properties subject to compulsory purchase)
- o supported housing where the landlord's provision of support is subject to a funding agreement with a third party (typically the NHS or local government)
- o key worker schemes where the tenant no longer meets the qualifying criteria
- o rent to buy and intermediate market rent schemes aimed at tenants on middle incomes where the expectation is that people will move on when they have enough income to buy. These schemes currently use fixed term tenancies.

- For demoted tenancies. CIH is neutral about retaining section 21 for demoted tenancies. Landlord bias is less of a risk because a demotion order is only granted after a full trial in the court about the law and facts, and only then if it is reasonable to grant one. Further all the other starter tenancy safeguards also apply (conversion to assured status after one-year, correct notice etc).

For further information please contact policyandpractice@cih.org

