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What you need to know about the Renters' Rights Bill

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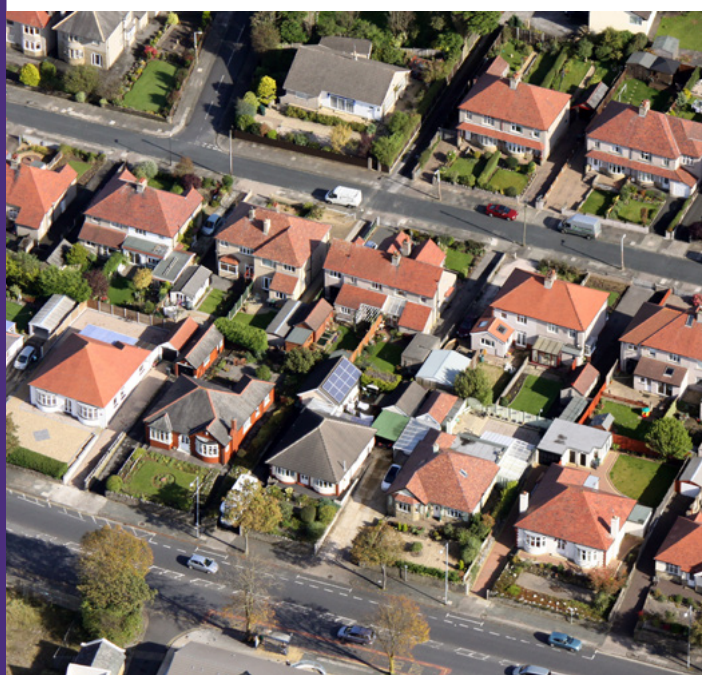


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Introduction

There are currently 4.4 million households in the private rented sector (PRS) in England, making it the second largest tenure (19 per cent of households). Whilst the majority of PRS properties are well maintained, nearly a quarter do not meet basic decency standards (English Housing Survey). The sector is often associated with housing insecurity. In 2023/24 the number of households owed a relief duty due to the end of an assured shorthold tenancy (AST) was 21,460 - 12.3 per cent of the total, one of the most common causes of homelessness. The end of an AST was the largest single cause of households threatened with homelessness, affecting 56,130 households accounting for 39.2 percent of all households who were owed a relief duty.

The [Renters' Rights Bill](#), introduced to the House of Commons on 11 September, is designed to deliver on the commitments made in the government's 2024 manifesto. The Bill applies to England, and its provisions to end discrimination in the rental market also apply to Scotland and Wales. Overall, its proposed provisions represent the largest changes to the private rented sector in England for 30 years.



Summary of changes

The Bill largely replicates the main provisions in the previous government's Renters (Reform) Bill but with some important modifications that further strengthen security for renters and enhance their powers as consumers. The Bill will:

- End section 21 'no fault' evictions and move to a simpler tenancy structure where all assured tenancies are periodic - providing more security for tenants whilst enhancing their consumer power by allowing them to end their contract if they are dissatisfied with the service. The ability to let on a fixed term will remain in the case of houses in multiple occupation (HMOs) where the building has been let to full-time students (in this case the landlord will be able to get possession under a new mandatory ground 4A).
- Introduce more comprehensive possession grounds so landlords can recover their property (including where they wish to sell or move in close family). These include various new grounds for use by registered providers for certain types of specialist letting where the tenant no longer meets the conditions under which the tenancy was granted (e.g. supported housing).
- Provide for a new statutory procedure for a private tenant to challenge the rent at tribunal during the first six months of the tenancy and subsequently any proposed annual increase. The tribunal can confirm the proposed rent or set a new market rent if this is lower (but it cannot set a rent higher than the one proposed).
- Give tenants the right to request a pet in the property, which the landlord must consider and cannot unreasonably refuse. To support this, landlords will be able to require pet insurance to cover any damage to their property.

- Introduce a new private rented sector ombudsman that private landlords must join that is intended to provide fair, impartial, and binding resolution to many issues and to be quicker, cheaper, and less adversarial than the court system.
- Prohibit discrimination in the private rental market throughout England, Wales and Scotland against prospective tenants who have children or based on their benefit status backed by the threat of a financial penalty for those who fail to comply.
- Apply the Decent Homes Standard (DHS) to the private rented sector. The standard will be enforced through and form a new component of the housing, health and safety rating system (HHSRS) in part 1 of the Housing Act 2004.
- Extend Awaab’s Law to the private rented sector, setting clear legal expectations about the timeframes within which landlords must take action to make homes safe where they contain serious hazards.
- Create a privately rented property portal to help landlords understand their legal obligations and demonstrate compliance, alongside providing better information to tenants to make informed decisions when entering into a tenancy agreement. It will also support local councils – helping them target enforcement activity where it is needed most.
- Local authority investigatory and enforcement powers are strengthened and there is a new requirement to report on enforcement activity. Council powers to collect and retain penalty fees from enforcement work are extended alongside a new range of civil penalties where landlords/agents fail to comply with the Bill’s new obligations. The range of offences that can trigger a Rent Repayment Order for the most serious infringements is also extended.

The provisions in the Renters’ Rights Bill differ from those in the Renters (Reform) Bill (that completed its Commons stages before it fell) in the following ways:

- There is no requirement in the Bill for court reform to have been completed before the abolition of section 21 is commenced.

Commencement will mainly be by ministerial order.

- The ‘tenant trap’ whereby new tenants are locked in for a minimum period of six months is largely removed. The initial lock-in period is reduced to two months and after then the tenant can give two months’ notice at any time (or a shorter period not less than four weeks if it has previously been agreed).
- The revised and expanded landlord needs grounds (e.g. where the landlord wants to sell or move back in) cannot be used during the first year of the tenancy (previously the first six months) and the minimum notice period has been increased from two to four months.
- The minimum rent arrears trigger for the mandatory rent arrears ground is increased from two months to three months (or from eight to 13 weeks for weekly tenancies). The previously proposed new mandatory ground “8A” for repeated rent arrears has been omitted.
- The proposal to widen the threshold for the discretionary anti-social behaviour ground from conduct “likely to cause” nuisance or annoyance to “capable of causing” has been dropped.
- When a private tenant refers the initial rent or any subsequent annual increase to a tribunal the tribunal can confirm the proposed rent or set a revised market rent if it is lower than the proposed rent (but it cannot set a rent higher than the one proposed).



Detail

End of no-fault evictions ('section 21')

The vast majority of PRS homes are let on assured shorthold tenancies (ASTs) which allow for no-fault (section 21) evictions where, if notice is correctly served, the tenant has no effective defence and must leave their home within two months. In the final quarter of 2023-24, the ending of an AST was the most common reason for households being owed a prevention duty – accounting for 38 per cent. In 2021, Generation Rent claimed that the cost of moving home for the median private renter household was £1,700, including deposit, time off work, cleaning costs, van hire, broadband installation and paying rent on two properties while moving.

The Bill will end fixed-term tenancies and move to periodic tenancies, which continuously renew at the start of each rental period. The maximum rental period will be one month. Ending fixed terms means the tenant will only be liable for rent during the two-month notice period instead of the whole of the (fixed term) contract. This will provide tenants with greater bargaining power while retaining the flexibility that privately rented accommodation offers. Tenants will be able to stay in their home until they decide to end the tenancy by giving two months' notice (or a shorter period if agreed) or the landlord can evidence a valid ground for possession (see section below). Landlords will not be able to use grounds for moving in, selling or redevelopment for the first 12 months of the tenancy.

The assured tenancy regime also applies to private registered providers of social housing (typically housing associations) and providers of supported accommodation, as well as landlords providing temporary accommodation to homeless households. The reforms aim to balance providing maximum security to all tenants whilst ensuring specialist sectors can continue to house some of the most vulnerable households. (More on this under 'possession grounds'.) Note: while the intention is to end no fault evictions as quickly as possible, the government recognises that it needs to update its Direction to the Regulator of Social Housing so that they can update their Tenancy Standard.

As this requires a statutory consultation process, they will apply the new system to social tenancies (where the landlord is a private registered provider of social housing) at a later date.

Duty of the landlord to give a statement of the letting terms

The landlord must give the tenant a statement of the terms of agreement before the start of the tenancy. The details of the statement will be defined by regulations. If the landlord fails to do this the local authority can impose a financial penalty of up to £7,000. A further penalty can be imposed for each 28-day period of the letting that the landlord fails to comply. The landlord must record the details of the financial penalty on the landlord portal or risk a further fine or prosecution for failing to do so.

The right to request pets

The right to own a pet within a rented property has long been a contentious issue, with prohibition clauses in tenancy agreements being standard practice. The Bill will ensure landlords do not unreasonably withhold consent when a tenant requests to have a pet in their home, with the tenant able to challenge unfair decisions (via the ombudsman).

The Bill will allow landlords to require insurance covering pet damage (via an amendment to the Tenant Fees Act 2019) which will provide landlords with reassurance that the responsibility for preventing and resolving damage caused by a pet will fall to the tenant.

Government will publish guidance for landlords and tenants before the new rules come into effect.



Requirement to state the rent and avoid rental bidding

A private landlord or their letting agent must not advertise a property for letting or otherwise offer a tenancy in writing unless the advert/ offer includes the proposed rent. This provision is intended to stop the practice of rental bidding (where the landlord/agent only offers to the person making the highest bid). The local authority may impose a financial penalty on the landlord/agent of up to £7,000 for the failure to comply. The landlord must record the details of the financial penalty on the landlord portal or risk a further fine or prosecution for failing to do so.

More comprehensive possession grounds for landlords

Whilst strengthening security of tenure for renters, the Bill also includes measures to enable landlords to regain their property when their circumstances change, or tenants do not fulfil their obligations. The number of mandatory grounds for possession (i.e., where the court must grant possession if the ground is proven) will be increased. However, except on the grounds for anti-social behaviour, where the tenant has paid a deposit the court cannot grant possession if the landlord has failed to protect it as required in one of the approved tenancy deposit schemes (but the court may grant possession if this is subsequently put right).

Most of these new (and revised) grounds relate to 'landlord need' whereby they can get possession if they wish to sell or move themselves/close family (defined in law) into their property, though not in the first 12

months of the tenancy. The new Bill increases the minimum notice period for these 'landlord need' grounds from two to four months. If the landlord falsely uses one of these grounds and the tenant leaves before the four month notice period expires the local authority may impose a financial penalty of up to £7,000. The landlord must register the penalty on the landlord portal or risk a further fine or prosecution for failing to do so.

Various new grounds are being introduced to help private registered providers recover possession where the tenancy was granted for a particular purpose, but the tenant no longer satisfies those conditions. These new grounds have a two months' notice period and are as follows:

- Ground 1B - to recover possession of rent-to-buy agreement when the term of the agreement has expired
- Grounds 2ZA - 2ZD - where the private registered provider holds the property on a superior lease
- Grounds 5B - 5D - where the dwelling was let to the tenant for the purpose of their employment (e.g. a scheme manager in a sheltered housing scheme)
- Grounds 5E - 5H and 18 - where the dwelling was let as (or is intended to be used for) supported housing or temporary accommodation and the tenant no longer meets the conditions for it (e.g. if support was commissioned but has since been withdrawn).

Unlike the previous government's proposals in the Renters (Reform) Bill to broaden the existing mandatory grounds for rent arrears and anti-social behaviour the Renters' Rights Bill tightens the conditions for the mandatory rent arrears ground whereby the arrears trigger is increased from two to three months' rent. The conditions for anti-social behaviour grounds are unchanged. However, where possession is being sought under the discretionary anti-social behaviour ground the court must consider whether the tenant has cooperated with any attempts by the landlord to encourage the conduct to cease. And if the tenant lives in an HMO the court must consider the effect of their conduct on the other tenants.



Stronger protections against backdoor evictions

Landlords will be able to raise rents annually to market prices (replicating existing mechanisms) and must provide two months' notice (increased from one month) of any change.

Tenants who receive a rent increase that they believe exceeds what the landlord could reasonably expect to obtain on the open market will be able to challenge this in the [First-tier Tribunal](#). Government will issue guidance on this process to ensure that it is clear for everyone. As now, landlords will be allowed to increase rents to market price for their properties and an independent tribunal will make a judgement on this, if needed. If the tribunal agrees that the landlord's proposed rent exceeds the market rent, it can set a new rent, but this cannot exceed the landlord's original proposal. The aim is to stop landlords from threatening to propose an even higher rent if the tenant wishes to challenge their increase.

Stronger legal framework for tackling hazards

The Bill will extend the Decent Homes Standard (DHS) and Awaab's Law (the latter introduced in the Social Housing (Regulation)

Act) to the private rented sector as part of the government's ambition to tackle hazards. Except for private registered providers (where a separate DHS already applies), the new DHS will form part of the Housing Health and Safety Rating System under Part 1 of the Housing Act 2004 and be enforced as part of its provisions.

The Bill will allow regulations to be made setting out DHS requirements for private rented sector homes and will provide local councils with effective and proportionate enforcement powers. There is no detail yet as to how the extension of Awaab's Law will work but the guidance notes that the government will carefully consider how best to apply it to the private rented sector in a way that is fair, proportionate and effective for both tenants and landlords, and will consult on this.

Following amendments pressed by CIH during passage of the failed Renters (Reform) Bill the DHS will also be extended to temporary accommodation for homeless households. The loophole whereby supported housing let at market rents falls outside the regulator's consumer standards if a private registered provider has at least one unit of social housing is also closed by the Bill.

Enhanced local authority investigation and enforcement powers

The Bill strengthens existing local authority investigatory and enforcement powers. Council's powers to collect and retain penalty fees from enforcement work will be extended. Initial or minor non-compliance will incur a civil penalty of up to £7,000 or up to £40,000 for repeat or serious offences.

To help underpin enforcement the range of councils' investigatory powers is also being extended, including new powers to request information from landlords and agents and to enter business premises.

The Bill introduces a range of new landlord/agent offences relating to a failure to comply with its provisions such as knowingly or recklessly misusing a ground for repossession, and the repeated failure of a letting agent to join a redress scheme. These and certain other offences are being added to list of offences that can trigger a Rent Repayment Order.



A new property portal (PRS data base/ landlord registration scheme)

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 [Independent Rugg Review](#) of private renting recommended the introduction of a compulsory landlord registration scheme to help local authorities better target their enforcement activities and to make it more difficult for landlords to evade their responsibilities and gain an advantage on those that do comply by operating under the radar.

The Bill will introduce a new PRS database, which will support the future digital property portal service. In effect the PRS database is a

compulsory registration scheme but in digital format. All landlords will be legally required to register themselves and their properties (at a fee tbc) on the portal and could be subject to penalties if they market or let out a property without registering it and providing the required information.

The portal will provide a 'one stop shop' for landlords allowing them to access relevant guidance, helping landlords understand their obligations and demonstrate compliance. The portal will also be used for communicating changes to requirements - ensuring landlords have access to simple up-to-date information about their responsibilities.

For tenants, the portal will increase transparency and the information available before they decide to rent a property and throughout their renting journey. This will allow them to take effective action to enforce their rights and be aware when they can escalate issues to their local council or the PRS Ombudsman.

The portal will also provide local councils with more data about PRS properties, providing a consistent intelligence source and supporting enforcement against criminal landlords. (The portal will replace the functionality of the 'rogue landlords database'.)



The government is still determining the exact information which will be available to the public and this will be set out in regulations. It is planning for this to include information related to property standards. Government has indicated it is committed to carefully balancing landlords' privacy concerns with private tenants' need to make informed decisions about their housing options when designing a new system. Tenants will be able to access necessary information in relation to their landlord's identity and details of the property, but it is not envisaged that all data will be publicly accessible.

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 half of private landlords use a managing agent.

The Bill will require all private landlords who rent out property in England to join a government approved redress scheme - an ombudsman - regardless of whether they use an agent. This will ensure all tenants have access to redress services in any given situation and should be quicker, cheaper, less adversarial, and more proportionate than the court system.

The new ombudsman will allow tenants to seek redress for free, where their landlord has failed to deal with a legitimate complaint about their tenancy. This could include complaints about the behaviour of the landlord, the standards of the property or where repairs have not been completed within a reasonable timeframe.

The ombudsman will have powers to put things right, including compelling landlords to issue an apology, provide information, take remedial action, and/or pay compensation of up to £25,000.

As well as resolving individual disputes, the ombudsman will tackle the root cause of problems, address systemic issues, provide feedback and education to members and consumers, and offer support for vulnerable consumers.

Membership of the ombudsman will be mandatory for private landlords (with the fee tbc) and local councils will be able to take enforcement action against those who fail to join. This will range from a civil penalty of up to £7,000 through to a £40,000 fine or criminal prosecution and the potential for a Banning Order for repeat offenders.

It will be mandatory for landlords to comply with any decision of the ombudsman, should the complainant accept the final determination. Failure to comply with a decision may result in a landlord being expelled from the ombudsman until they do so. If they continue to act as a landlord, this will make them eligible for enforcement action from their local council.

Timing of reforms

Unlike the previous government's Renters' (Reform) Bill there is no requirement for commencement to be conditional on court reform once the Bill has received Royal Assent. The minister can commence any part of the Bill by ministerial order. Provisions that are common to private landlords and private registered providers can be commenced in part on separate dates.



Initial CIH view

We welcome measures to improve the experience of private renting, particularly the end of no-fault evictions, which are a key contributor to rising homelessness. It is positive to see action to support both landlords and tenants through the establishment of a PRS ombudsman and portal to support private landlords to understand and fulfil their obligations, and to enable tenants to better hold them to account. We note the commitment to bring forward further measures, as outlined above, and hope that the government will clarify the timing of these as soon as possible. However, making sufficient resources available for local authority enforcement action is critical and will be decisive in whether the legislation is successful or not.

The Renters' Rights Bill deals with many of the criticisms made by tenants' groups of the previous government's Renters (Reform) Bill. The so called 'tenant trap' whereby tenants are tied into a tenancy during the first six months has gone. As such a tenant's bargaining power if they are dissatisfied with the service is substantially increased.

The provisions in the previous Bill to broaden the mandatory grounds for rent arrears and anti-social behaviour have also been dropped. There were concerns that the lower threshold for anti-social behaviour might affect domestic abuse victims and survivors whose responses to abuse often get mischaracterised. Whilst we welcome this development, we believe the Bill also provides an opportunity to help protect domestic abuse survivors. There should be an implied covenant in every agreement not to commit abuse against any of the occupiers and there should be a simple procedure for survivors to convert their tenancy from joint to sole as proposed by the Law Commission.

The new Bill's provisions to extend the initial protection period during which the 'landlord need' grounds cannot be used from six to 12 months is also welcome. There are some doubts over how effective the threat of financial penalties will be in deterring landlords from making disingenuous claims



for possession under one of the landlord's need grounds (e.g. claiming they wish to sell the property). Local authorities have very limited resources to pursue enforcement action, and it seems unlikely that they will prioritise enforcement action of tenants who have already left. A more effective strategy might be to allow the tenant to pursue a private claim for damages in a similar way to dual track approach over claims for unfitness.

As the government has acknowledged, further work is needed to consider how Awaab's Law will be taken forward. We have raised some [concerns](#) re the practicality of its application, as proposed in the previous government's consultation, and await further detail on next steps. We also have some doubts about how effective the new right will be as a deterrent without a significant expansion in the coverage of legal aid for such cases.

Given the resource implications of implementing the legislation, the huge size of the PRS, the predominance of landlords who own only a few properties and are not part of formal landlord organisations, and the turnover in tenancies of up to one million annually (English Housing Survey), the government should commit to full monitoring of the legislation's outcomes and express willingness to take steps necessary to ensure that its objectives are actually achieved.

What's next?

The Bill will be considered by the House of Commons and then move to the House of Lords. Subject to process and amendments, the Bill is likely to receive Royal Assent in early 2025.

We'll produce further member briefings as we scrutinise the detail.

For further information

- [Renters Rights' Bill print and parliamentary stages](#)
- [Guide to the Renters' Rights Bill](#)

For any questions on this briefing please contact policyandpractice@cih.org

