

RENTERS REFORM

RE- SET OUR MINDSET
RE- THINKING HOW WE
MANAGE OUR ASSETS

Stay&Co.
MANAGEMENT

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Our Goal

PROTECT & PREPARE

- What are we anticipating
- What it really means for us as Landlords
- How can we mitigate risks



RENTERS RIGHTS BILL

THE FOLLOWING SLIDES PROVIDE AN OVERVIEW OF THE MAIN SECTIONS OF THE PROPOSED RENTERS RIGHTS BILL, ACCURATE AT THE TIME OF PRESENTATION. THE BILL IS STILL GOING THROUGH PARLIAMENT AND COULD BE SUBJECT TO CHANGE AND FURTHER UPDATES. THESE SLIDES PROVIDE AN OVERVIEW AND ARE NOT EXHAUSTIVE TO THE ENTIRE CONTENTS OF THE RENTERS RIGHTS BILL. THIS PRESENTATION FOCUSES ON THE PRIVATE RENTAL SECTOR AND DOES NOT ADDRESS THE CHANGES TO SOCIAL HOUSING. THE READER REMAINS LIABLE FOR THEIR OWN DUE DILIGENCE TO KEEP UP TO DATE ON THEIR OBLIGATIONS AS LANDLORDS AND AGENTS

END OF SECTION 21

END TO SECTION 21 & NO FAULT EVICTIONS

GOVERNMENT AIM: MORE SECURITY FOR RENTERS.

WHEN THIS DATE IS SET, ALL TENANCIES WILL MOVE ACROSS TO PERIODIC TENANCY.

TENANTS CAN STAY IN THE PROPERTY UNTIL THEY WISH TO END- BY GIVING 2 MONTHS NOTICE IF THEY DO NOT BREACH THEIR TENANCY CONTRACTS

WHAT DOES THIS MEAN FOR LANDLORDS

THERE ARE TWO CATEGORIES FOR POSSESSION

MANDATORY GROUNDS AND DISCRETIONARY GROUNDS

YOU MUST GO TO COURT IF A TENANT DOES NOT LEAVE

YOU MUST HAVE EVIDENCE THAT THE GROUNDS ARE MET

NEW RULES AROUND RENT ARREARS - THRESHOLD MOVING FROM 2-3MONTHS WITH NOTICE PERIOD GOING FROM 2-4 WEEKS

PROTECTED FIRST 12 MONTHS OF TENANCY FROM SALE OR LANDLORD TO MOVE IN 4 MONTHS NOTICE THEREAFTER IN BOTH INSTANCES

YOU WILL NOT BE ABLE TO GAIN POSSESSION IF YOU HAVE NOT PROTECTED DEPOSITS OR REGISTERED THEMSELVES/PROPERTY ON NEW PRIVATE SECTOR DATABASE

RENT INCREASES

RENT INCREASES BY SECTION 13

GOVERNMENT AIM: TO PREVENT RENT HIKES ABOVE MARKET RATES, TO PREVENT USE OF RENT INCREASE AS MEANS TO EVICT.

TENANTS CAN CHALLENGE RENT INCREASES AND TAKE THIS TO A TRIBUNAL
RENT INCREASES WILL NOT BE BACKDATED AND WILL COME INTO EFFECT FROM THE DATE OF TRIBUNAL DETERMINATION

TRIBUNALS WILL NOT ADJUST RENT TO MORE THAN THE LANDLORD IS ASKING
CASES OF UNDUE HARDSHIP CAN BE DEFERRED BY A FURTHER 2 MONTHS

WHAT THIS MEANS FOR LANDLORDS

RENT INCREASE ONCE PER YEAR

RENT INCREASE WILL NEED TO BE IN LINE WITH MARKET RATES- YOU WILL NEED TO BE ABLE TO JUSTIFY THIS

RENTS WILL NEED TO BE PUBLISHED AND AGENTS AND LANDLORDS CANNOT ACCEPT RENTAL RATES ABOVE ADVERTISED RENTS

TENANTS CAN CHALLENGE RENTS THEY DEEM UNFAIR AND HAVE TO INFORM YOU OF THEIR INTENTION TO TAKE IT TO TRIBUNAL

AN END TO UP FRONT RENT FOR LONGER STRETCHES OF TENANCY

DECENT HOMES AND AWAAB'S LAW

DECENT HOMES STANDARD

GOVERNMENT AIM- TO PROVIDE SAFE AND DECENT HOUSING

COUNCILS WILL HAVE MORE ENFORCEMENT POWERS

THIS WILL APPLY TO PRIVATE SECTOR HOUSING BUT THEY ARE CONSULTING ON IT APPLYING TO SOCIAL SECTORS TOO. IT WILL ALSO APPLY TO PRS PROPERTIES OUTSIDE NORMAL SCOPE TO INCLUDE OTHER TYPES OF TENANCIES AND LICENSES

HOW WILL IT BE ENFORCED

THE COUNCIL WILL HAVE ENFORCEMENT POWERS- TIMESCALES NOTICE OF IMPROVEMENT ORDERS

FAILURE TO COMPLY- CIVIL OR CRIMINAL PENALTIES AND THE TENANT /COUNCIL CAN TAKE IT TO FIRST TIER TRIBUNAL FOR A RENT REPAYMENT ORDER

LEGAL DUTY FOR LANDLORDS TO ENSURE PROPERTIES MEET DHS- FAILURE TO TAKE REASONABLE STEPS TO KEEP PROPERTIES FREE FROM SERIOUS HAZARDS- CIVIL FINES UP TO £7000

DECENT HOMES AND AWAAB'S LAW

AWAAB'S LAW

GOVERNMENT AIM- TO STOP HOMES BEING RENTED THAT ARE UNSAFE

AWAAB TRAGICALLY DIED AT 2 YEARS OLD AFTER PROLONGED EXPOSURE TO MOULD. THIS LAW CAME INTO EFFECT IN A SOCIAL RENTED SECTOR AND WILL EXTEND INTO PRIVATE RENTED SECTOR

LANDLORDS WILL HAVE TO ADDRESS MOULD AND DAMP ISSUES WITHIN A SPECIFIED TIME PERIOD. IF LANDLORDS DON'T COMPLY TENANTS CAN TAKE ENFORCEMENT ACTION AGAINST THEM THROUGH THE COURTS.

THIS CAN ALSO BE ESCALATED TO THE NEW PRIVATE RENTED SECTOR OMBUDSMAN IF TENANTS ARE NOT SATISFIED WITH THEIR LANDLORDS RESPONSES

DISCRIMINATION

IT WILL BECOME ILLEGAL TO DISCRIMINATE AGAINST THOSE IN RECEIPT OF BENEFITS AND WITH THOSE WITH CHILDREN

NO ADVERTS STATING NO DSS

IF A PROPERTY ISN'T SUITABLE FOR CHILDREN THIS IS TO BE ASSESSED ON A CASE BY CASE BASIS- E.G TO PREVENT OVERCROWDING ISSUES

LANDLORDS CANNOT BE COMPELLED TO DISCRIMINATE BY THE TERMS OF MORTGAGE OR SUPERIOR LANDLORD AGREEMENTS

EXISTING INSURANCE POLICIES IN PLACE THAT HAVE PROHIBITIVE CLAUSES BEFORE THE NEW LEGISLATION WILL BE EXEMPT UNTIL THE END OF THE POLICY

ANY RESTRICTIVE TERMS AFTER NEW LEGISLATION COMES INTO FORCE WILL BE OF NO EFFECT- PREVENTING A BREACH OF CONTRACT

LANDLORDS AND LETTING AGENTS CAN RECEIVE CIVIL PENALTIES FOR BREACHES ENFORCEMENT TERMS AND POWERS ARE BEING DISCUSSED

PETS

LANDLORDS CANNOT UNREASONABLY REFUSE RENTERS FROM HAVING PETS THEY CAN REQUEST INSURANCE POLICIES TO BE TAKEN AGAINST DAMAGE TO THEIR PROPERTY CAUSED BY PETS

ENFORCEMENT

**FINES RANGING FROM £7000 -£40,000 IN CIVIL PENALTIES
FOR PERSISTENT OR REPEAT NON COMPLIANCE CRIMINAL PROSECUTION IS AN
ALTERNATIVE**

WHAT IS CHANGING

**COUNCILS FACE A NEW DUTY FROM THE GOVERNMENT TO TAKE ENFORCEMENT ACTION-
WITH ENHANCED POWERS TO INVESTIGATE**

**CIVIL PENALTIES CAN BE GIVEN AGAINST LANDLORDS WHO FAIL TO COMPLY WITH
REFORMS- E.G FAILURE TO REGISTER ON THE DATABASE OR JOIN THE OMBUDSMAN
UNLIMITED FINES THROUGH CRIMINAL PROSECUTION FOR SERIOUS REPEAT OFFENDERS**

CIVIL PENALTIES AGAINST ILLEGAL EVICTIONS

RENT REPAYMENT ORDERS - MAXIMUM 2 YEARS RENT

**MORE POWERS TO INVESTIGATE AND COLLECT INFORMATION FROM THIRD PARTY
COMPANIES - BANKS, ACCOUNTANTS ETC**

POWER TO ENTER PREMISES TO GAIN ON SITE EVIDENCE

RENT REPAYMENT ORDERS RROs

IF A LANDLORD HAS COMMITTED AN OFFENCE, THEY CAN BE ORDERED TO REPAY AN AMOUNT OF RENT TO THE TENANT OR LOCAL AUTHORITY

TENANTS AND THE COUNCIL CAN TAKE A LANDLORD TO TRIBUNAL FOR A RENT REPAYMENT ORDER

IF SATISFIED BEYOND REASONABLE DOUBT THAT AN OFFENCE HAS OCCURED-

LANDLORDS CAN BE ORDERED TO REPAY AN AMOUNT OF RENT

LOCAL AUTHORITIES CAN ALSO PURSUE ORDERS WHERE RENT HAS BEEN PAID BY HOUSING BENEFIT OR UNIVERSAL CREDIT

THE NEW BILL WILL EXTEND RROS FOR MISUSE OF POSSESSION GROUNDS, CONTINUED BREACH AFTER FINANCIAL PENALTY, BREACH OF RESTRICTION ON LETTING OR MARKETING A DWELLING HOUSE. BREACHES AROUND PRS DATABASE.

THEY WILL APPLY TO FIRST OFFENCES

EXTENSION TO DIRECTORS AND SUPERIOR LANDLORDS TO ENSURE CRIMINAL RENT TO RENT ARRANGEMENTS ARE HELD TO ACCOUNT

REPETITION OF SAME OFFENCE WILL BE REQUIRED TO PAY MAXIMUM PENALTY

IINCREASE FROM 12MONTHS TO 24 MONTHS AS MAXIMUM RRO

TIMEFRAME TO APPLY INCREASING FROM 12 TO 24 MONTHS

PRS DATABASE AND LANDLORD OMBUDSMAN

ALL LANDLORDS OF ASSURED AND REGULATED TENANCIES WILL NEED TO REGISTER THEMSELVES AND THEIR PROPERTIES ON A DATABASE

UPDATES, GUIDANCE AND DEMONSTRATION OF COMPLIANCE FOR LANDLORDS IN THE GOVERNMENT'S TERM OF 'ONE STOP SHOP'

MORE TRANSPARENCY FOR TENANTS WHEN MAKING A CHOICE WHERE TO RENT
GIVE THEM MORE KNOWLEDGE ON HOW TO ESCALATE TO THE OMBUDSMAN OR COUNCIL

MORE DATA FOR COUNCILS AND HIGHLIGHTING NEGLIGENT/CRIMINAL LANDLORDS

ONLINE AND OFFLINE METHODS OF REGISTRATION

UNREGISTERED LANDLORDS WILL NOT BE ABLE TO GET A POSSESSION ORDER (EXCEPT IN INSTANCES OF TENANT ANTI-SOCIAL BEHAVIOUR)

UNREGISTERED LANDLORDS FACING CIVIL PENALTIES UP TO £7000

FRAUDULENT INFORMATION OR SERIOUS BREACHES UP TO £40,000 OR CRIMINAL PROSECUTION

REGISTRATION WILL BE A COST TO THE LANDLORD

DISCUSSIONS AROUND PRIVACY AND DATA THAT WILL BE PUBLICLY ACCESSIBLE
BREACHES AND OFFENCES MAY BE MADE VIEWABLE TO PROSPECTIVE TENANTS

DATABASE IS IN THE DEVELOPMENT PHASE

PRS DATABASE AND LANDLORD OMBUDSMAN

ALL PRIVATE LANDLORDS INCLUDING THOSE THAT USE A MANAGEMENT AGENT WILL LEGALLY HAVE TO JOIN THE PRIVATE RENTED SECTOR LANDLORD OMBUDSMAN SERVICE

TENANTS CAN USE THE SERVICE FOR FREE
WILL HAVE POWERS TO COMPEL LANDLORDS TO ISSUE AN APOLOGY, PROVIDE INFORMATION ,
REMEDIAL ACTION AND OR PAY COMPENSATION

COUNCILS CAN TAKE ENFORCEMENT AGAINST LANDLORDS WHO DONT REGISTER OR FOR THOSE
WHO MARKET A PRS PROPERTY WHEN THE LANDLORD ISNT REGISTERED
TENANTS CAN SEEK A RRO AGAINST LANDLORDS IF THEY COMMIT AN OFFENSE BY PERSISTENTLY
FAILING TO JOIN THE OMBUDSMAN SERVICE

LANDLORDS WILL NEED TO COMPLY WITH OMBUDSMAN RULING
FAILURE TO COMPLY CAN LEAD TO BEING EXPELLED FROM THE SERVICE- LEADING TO LOCAL
COUNCIL ENFORCEMENT ACTION.

LANDLORDS WILL THEN NEED TO FOLLOW NECESSARY STEPS TO BE ABLE TO REJOIN

THERE IS LIKELY TO BE AN ANNUAL FEE TO JOIN THE SCHEME
DATES HAVE YET TO BE SET TO JOIN BY
LANDLORDS WILL BE EXPECTED TO REMAIN A MEMBER FOR A REASONABLE AMOUNT OF TIME EVEN
AFTER STOPPING BEING A LANDLORD
WHEN A PROPERTY IS MARKETED FOR LETTING - THE LANDLORD WILL BE REQUIRED TO BE A
MEMBER

THIS IS FOR USE BY TENANTS ONLY NOT LANDLORDS
TENANTS AND LANDLORDS CAN CONTINUE TO COMPLAIN ABOUT AGENTS VIA REDRESS SCHEMES
IF THE LANDLORD AND AGENT ARE AT FAULT THE BILL WILL ALLOW FOR LANDLORD OMBUDSMAN
AND EXISTING REDRESS SCHEMES TO CONDUCT JOINT INVESTIGATION