

The Renters' Reform Bill

How can the upcoming Bill best deliver for tenants and landlords?

2nd March 2021

Overview

The private rented sector (PRS) has grown significantly over the last two decades, with over 11 million people currently living in privately rented accommodation in England. In recent years, there have been growing calls for reform, to provide greater clarity on the rights and responsibilities of tenants and landlords, and ensure that everyone has a secure place to live and landlords can invest in housing with confidence.

In the 2019 Conservative Manifesto, the Government pledged to introduce a “Better Deal for Renters”. This led to the Renters’ Reform Bill being introduced in the most recent Queen’s Speech, including improved court processes, reforms to Section 21 and clearer conditions for possession under Section 8.

This roundtable discussion explored how the upcoming Renters’ Reform Bill could help shape and reform the sector. Attendees were focused on how to develop a clear, balanced and relationship between renters and landlords. It was widely agreed that the Government should seek to offer greater security for the “middle tier” of residents between social housing and those who can afford to buy, that Section 21 must be abolished, and that improving the court process could help to address problems for landlords and renters alike.

Key points of the discussion

- 1.** There was clear agreement that Section 21 notices can lead to no fault evictions and disempower renters. There is a clear case for reform. This mechanism is seen as allowing landlords to evict tenants quickly without having to use more established channels, and creating scope for retaliatory evictions when renters raise questions about housing conditions or rent increases. It was noted that lessons could be learned from Scotland, where Section 21 was abolished in 2017 without any noticeable negative effects on the system as whole.
- 2.** There is also a case for introducing more stability for landlords. The best way to do this would be through clearer grounds for Section 8 eviction notices. A participant spoke of the importance of having a clear mandate for landlords to regain possession of their properties when tenants are at fault. Remarks from attendees stated that this would help encourage investment in the PRS and to allow owners to be able to access their properties. However, there were a number of calls by participants stating that such measures must not provide a route for no-fault evictions through the backdoor. Scotland

was noted as a positive example of this, where there are currently 18 legitimate grounds on which landlords can regain possession.

- 3.** Reform to the court process is needed for the effective revision of Section 21. Participants agreed unanimously that in order for no-fault evictions to be removed, repossession cases must be able to progress efficiently through an adequately resourced court system. Attendees pointed out that due to issues associated with the current system, even responsible landlords often turn to Section 21 notices to expedite matters. This is due to a backlog of cases in the court system and this needs to be addressed to enable landlords to resolve issues in a timely manner.
- 4.** What might be called the “middle tier” of housing should be strengthened with more affordable housing options for working people who cannot afford to buy, but who do not qualify for social housing. Participants argued that innovative methods for funding inexpensive rented housing could be used, such as transferring local authority housing stock to the housing association sector. The issue of pervasively substandard housing conditions was also raised, with one-third of private rented properties falling short of the decent homes standard. Some participants called for regulation to ensure landlords maintain proper housing conditions, including an accreditation or property MOT scheme.
- 5.** Housing reform and the levelling up agenda are intrinsically linked. There was consensus that adequate and affordable housing has the power to fundamentally improve people’s lives and the life chances of children. A number of attendees spoke of the gap in the housing market that adequate social housing could fill. Building new houses was also suggested as a means of stabilising the market and improving housing conditions. Participants noted that this was particularly important in areas such as left-behind coastal towns and post-industrial regions. The sheer volume of low-quality accommodation in such areas was considered to be overwhelming local councils. Participants put forward the idea of area-specific frameworks to address local needs. This could transpire through the establishment of ‘housing action areas’ with distinct regulations to ensure adequate housing conditions are maintained. Although costly, this would be a sustainable way forward for enhancing the security. Creating a renters’ bond using funds from rental deposits was also suggested as a mechanism by which high-quality housing could be financed.
- 6.** The Government should consider pre-legislative scrutiny of the Renters’ Reform Bill. There was firm consensus by the group of participants that select committee scrutiny of the Bill could be a necessary measure to help ensure that the right balance is struck between protecting both renters and landlords. Attendees agreed that a cross-party effort is needed to secure a Bill that provides stability and certainty for its stakeholders, while considering its implications for the housing market more broadly.