



KING WEST

10 key changes landlords need to know



Renters' Rights legislation introduces major reforms to the private rented sector in England. Now that the legislation has passed, this quick guide summarises the key changes that landlords need to know and how King West can help.

Introduction

The Renters' Rights legislation introduces major reforms to the private rented sector in England, impacting landlords, letting agents, and tenants.

To support you now that the legislation has passed, here is a quick guide to summarise and help explain the key changes that you need to know and King West are here to help with:

1. ASTs become periodic tenancies
2. New tenancy structure
3. Clearer grounds for termination and limits on 'no-fault' evictions
4. New rules on rent increases
5. Restrictions on rent bidding
6. Greater rights for tenants to keep pets
7. New anti-discrimination measures
8. New standards for private rented homes
9. New landlord registration and redress requirements
10. Expanded local authority powers for enforcement

ASTs become periodic tenancies

When the legislation comes into force, all tenancies will automatically become assured periodic tenancies (rolling contracts). This means that they continue indefinitely until ended by a notice from the tenant or a notice from the landlord for specific reasons.

New tenancy structure

At the start of the tenancy, landlords must give the tenant a written statement of the terms of the tenancy.

When the legislation comes into force, existing tenants will have to be given a UK Government-provided note of what is changing within one month, but will not need their tenancy agreements replaced.

Rent cannot be taken in advance of the tenancy agreement being signed, but the deposit can be.

Clearer grounds for termination and limits on 'no-fault' evictions

Section 21 evictions are abolished. A landlord can only end a tenancy by serving a Section 8 notice, which specifies one or more appropriate grounds for possession. Different grounds have different notice periods. See Table 1 of the UK Government Guide: <https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/guide-to-the-renters-rights-bill>

If a landlord wants to move in or sell the property, they won't be able to do this during the first 12 months of a tenancy.

A tenant can end a tenancy at any point by serving a two-month notice in writing on the landlord. If there are joint tenants, then notice by one will be effective for all tenants.

New rules on rent increases

Rent periods can only be monthly or less, and in the first month of the tenancy, only one month's rent can be accepted. In subsequent months, tenants can voluntarily pay more but cannot be required to do so. Clauses in tenancies that pre-date the Renters' Rights legislation are still valid.

Rents can only be increased once per year by serving a Section 13 notice, and tenants must receive at least two months' notice. Tenants can challenge unfair rent increases via the First Tier Tribunal.

Restriction on rent bidding

The legislation requires landlords and letting agents to publish the asking rent for the property. Prospective tenants can be asked to bid up to the advertised amount, but cannot be encouraged to bid over that amount, and no offer over the advertised amount can be accepted.

Greater rights for tenants to keep pets

A landlord may not unreasonably refuse a request from a tenant to keep a pet. Landlords must respond to pet requests within 28 days. If a super landlord (such as a freeholder) does not allow pets, and they will not give permission when asked, this is a reasonable basis to not allow a pet. In other cases, it will be for the landlord to show that the request was unreasonable.

New anti-discrimination measures

Landlords must not discriminate against prospective tenants on the basis that they might or will have children living at or regularly visiting the property, or that they are, or may be, in receipt of benefits.

Landlords can still carry out affordability checks and not grant a tenancy based on income. In certain circumstances, landlords can refuse to let to a household with children if it is a proportionate means of achieving a legitimate aim. For example, it may be reasonable to refuse to allow children if it would lead to the property being legally defined as overcrowded.

New standards for private rented homes

Private rented homes must meet the Decent Homes Standard. This includes being safe and well-maintained, free from serious hazards, fit for human habitation, and in compliance with Awaab's Law. In practice, this means making a timely response to damp and mould issues, should they arise at the property.

New landlord registration and redress requirements

When it is up and running, all landlords must register with the Private Rented Sector Database and join the new Landlord Ombudsman, who will resolve disputes.

Expanded local authority powers for enforcement

Local councils will enforce the new rules with penalties resulting in a £7,000 fine for a first offence, rising to £40,000 for repeat offences.

For many offences, tenants can apply to the First Tier Tribunal for a Rent Repayment Order for up to 24 months of rent.

Redress schemes can also deal with complaints from tenants and require payment of damages or remove a landlord from the scheme for serious breaches.

Further information

Renters' Rights legislation

<https://bills.parliament.uk/bills/3764>

UK Government guidance

<https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/guide-to-the-renters-rights-bill>
