



The Renters (Reform) Bill – 10 Key Takeaways for Landlords and Tenants

The number of privately rented properties in England has doubled since 2004. Following the government's White Paper "A fairer private rented sector" of June 2022, The Renters (Reform) Bill was introduced to Parliament on 17 May 2023. The Bill aims to provide fairer systems for tenants and enable landlords to recover their properties more quickly when needed.

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The Bill suggests that the new system will be implemented in two stages. Six months' notice will be provided for the first implementation date. After that, the date will depend on when Royal Assent is received and when the Courts are ready for the new system. Housing Secretary Michael Gove has outlined his ambitions for the Bill to become law before the start of 2024.

Outlined below are the key takeaways from the Renters Reform Bill for landlords and tenants.

1. Section 21 'no fault' evictions are to be abolished

Landlords will no longer be able to evict tenants without reason. The existing legislation, the Housing Act 1988, allows landlords to serve two months' notice to tenants at the end of the fixed term of an Assured Shorthold Tenancy Agreement. Currently, no reason for termination is required.

This will provide welcome reassurance and security to private renters across the country. It is reported that 230,000 private renters have received a Section 21 Notice since April 2019.

2. Fixed-term tenancies are no more

The proposals end the traditional fixed-term AST as we know it. Instead, there will be a more straightforward tenancy structure where all assured tenancies are periodic with no end date.

Future tenancies will only cease with the tenant's agreement or if the landlord can rely on the grounds listed in the new law.

3. Tenants can stay in their homes until they decide to leave

Tenants must provide two months' notice to their landlords to end the tenancy. Alternatively, the landlord can put forward one of the valid grounds for possession (see below).

4. More comprehensive possession grounds for landlords

For example, landlords will be able to evict their tenants where:

- They intend to sell their property;
- The property is deteriorating; or
- There is anti-social behaviour or nuisance.

There will be different notice periods for each ground.

5. Landlords cannot move into, sell or redevelopment the property for the first six months of the tenancy

Tenants will benefit from increased security for the first six months of their tenancy.

6. Where Court action is required, the landlord must adduce evidence that the selected ground is met

These grounds will be either mandatory or discretionary. There is no explanation yet as to how much evidence will be needed.

7. Tenants will have the right to keep a pet at the property

A landlord will not be able to object to pets being kept on their property without reasonable justification. A landlord must respond to the tenant's request to keep a pet within 42 days.

Landlords will be able to demand that the tenant purchases suitable pet insurance to cover any damage to their property.

8. Landlords can't refuse tenancies to families with children, or those on benefits

Landlords will not be able to completely prohibit leasing their properties to those who receive government benefits or those who have children.

The government wants to ensure that no family is unjustly discriminated against when finding somewhere to live.

9. Tenants will be able to appeal excessive rents

Landlords will still be able to increase rents to market rates, but tenants will have increased power to challenge extortionate rents.

If required, an independent tribunal will continue to be able to determine the actual market rent of a property.

10. Introduction of a Private Rented Sector Ombudsman

The new impartial Ombudsman may provide a dispute resolution procedure that is less costly and more efficient than the Court system.

Therefore, the Renters Reform Bill presents a mix of challenges and opportunities, potentially benefiting the 11 million private tenants in England while also impacting landlords. Unfortunately, however, the Bill may have negative impacts on the availability of residential property for rent in the open market. It may ultimately push some of the 2.3 million landlords in England out of the rental game altogether. Alternatively, it could cause a sudden increase in the volume of Section 21 Notices being served on tenants before the Bill becomes law.

Only time will tell. Members of Parliament will analyse and debate the Bill at its Second Reading in the House of Commons. The date is to be confirmed.

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