

Property Matters

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Homesforth Ltd

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Finally it's become the Renters' Rights Act

The Conservative Party's manifesto pledge in 2019 was to abolish 'no-fault' evictions. Six years later the Labour Government have finally got legislation over the line that will do not only that. Royal Assent has been given; what's changed during the passage through Parliament and what happens next?

The Renters' Rights Act 2025 received Royal Assent on 27 October. This does not mean that the legislation is in force though. Until such time as it does commence the law as we know it will continue. You can still offer a fixed term and request rent in advance. Whether you may want to do those things and whether there is any merit in doing so is a different question.

What's Changed?

There has been a huge amount written about the Renters' Rights legislation over the last few including a huge amount of speculation about amendments to be made to the original Bill. These included that section 21 would remain and that student let properties would still be allowed fixed terms. Precious few amendments of relevance to the Private Rented Sector (PRS) made it through the Lords and the Commons other than those proposed by the Government. Essentially the Bill became an Act largely in the form desired by the Government.

The ability of the landlord to require that the tenant take out pet damage insurance or pay the landlord's pet damage insurance costs was removed. It transpired that the insurance market did not yet offer suitable products at a reasonable cost and that in itself would present a barrier to the 'pet ownership by the tenant' ambitions of the Government. A higher deposit for tenants with pets was also a rejected proposal. We are still permitted to recommend that the tenant source their own insurance; we just cannot require it. The tenant is still allowed to

make a request for a pet and the landlord may not unreasonably refuse. If pet damage occurs and the tenant will not pay the landlord's losses then the landlord will be able to claim from the tenants deposit and if this exceeded or there is no deposit then the landlord can raise a small claim at court

The Act now allows the Secretary of State to write regulations permitting the First-tier Tribunal (Ft-T) to date a rent increase to that date proposed on the section 13 notice. Currently the Ft-T will only be permitted to grant a rent increase as of the date of their decision at the earliest

The new mandatory possession Ground 4A allows landlords to seek possession from students between 1 June and 30 September. The landlord must notify the tenant by written statement in advance of the start of the tenancy that may intend to rely on the Ground. In order for the ground to be effective the tenancy must not have been 'entered into' any earlier than 6 months prior to the commencement date. The 6 month limit was introduced to prevent tenancies being signed too far in advance. In reality the ground may be little used in proceedings. The vast majority of student tenancies come to an end by the end of the academic year without any requirement for the landlord to serve a notice.

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The Decent Homes Standard for the PRS is in the Renters' Rights Act and will cover things such as the state of repair, safety and security and heating and cooling. This will not be an issue for most PRS properties. Whilst the Decent Homes Standard section has not changed during the passage of the legislation the Government did announce that they did not expect it to be implemented for the PRS until between 2035 and 2037.

What Happens Next?

Now that the legislation is an Act the Secretary of State can now write regulations detailing for instance, the commencement date and any transitional arrangements, what will need to appear on the written statement. We will need to see new forms of the notices especially the section 8 and section 13 notices. One interesting change is that previously the forms were prescribed through regulations. This will no longer be the case and will simply be changed by MHCLG. This will highlight the importance of always getting a notice from the Gov.uk website.

The vast majority of what landlords and agents do will remain the same in terms of maintenance and repairs, property visits and viewings. What will be necessary is considering rent increases earlier. It will be more time consuming and requires a longer notice. It will be important, amongst other things, for landlords to be absolutely certain that they want to sell or re-occupy and to communicate intentions early to their tenants and where possible to avoid serving a notice which will then activate the restriction on reletting should plans change or a sale fail to materialise or indeed to unfortunately fall through.