

BRIEFING NOTE

Dear All,

The Government has released a White Paper (a report detailing their intentions to make law) entitled 'A Fairer Private Rented Sector' that sets out a number of proposals in relation to the private rented sector.

The report can be viewed at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083381/A_fairer_private_rented_sector_print.pdf

The paper contains a 12 point action plan which could have a significant impact on the way in which student tenancies will need to be managed going forward. We would strongly urge you to read the document and acquaint yourselves with the proposals.

We believe the key issues that have the potential to impact on the student market are

- Applying the Decent Homes Standard to private sector properties
- Abolish Section 21 'no fault' evictions
- Ending the use of Assured Shorthold Tenancies for most lettings (Purpose Built Student Accommodation) (PBSA) to be exempted)
- Creation of a new single Ombudsman scheme that all landlords must join
- Creation of a property portal for landlords
- Requests for allowing pets in a property cannot be unreasonably refused
- Limiting the right to charge significant advance rent

The Decent Homes Standard applies in the Social Rented Sector but will be followed in the Private Rented as well. The current standard can be viewed at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf but is currently being reviewed. The White Paper gives a general definition of 'free from the most serious health and safety hazards' but also refers to adequate kitchens and bathrooms, appropriate noise insulation and useable facilities. In order to support a Decent Homes Standard the Housing Health and Safety Rating System (HHSRS) is being reviewed to try and simplify

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the process and giving greater transparency and clarity to what may constitute a Category 1 or 2 Hazard.

An accommodation provider will no longer be able to remove a tenant from a property unless they are in breach of their tenancy agreement (Section 8 notice). Regular rent arrears are to become a mandatory reason for eviction and notice can be issued if the property is needed to become your home or that of a family member).

The majority of students who would have previously had an Assured Shorthold Tenancy will now be given a periodic tenancy. This will be similar to the current periodic tenancy except only a tenant will be able to end upon giving 2 months notice. Our understanding is that if you have created a joint periodic tenancy then the whole tenancy will be brought to an end following notice being given by one of the occupants. The Government states the notice period will ensure 'landlords recoup the costs of finding a tenant and avoid lengthy void periods'. Whilst the Government accepts 'most students will continue to move property at the end of the academic year' it is unclear how any accommodation provider can confidently create a new tenancy agreement until notice has been given on the current one. As PBSA is, generally, unable to be let to non-students they will be exempt from this proposal and still able to issue fixed term assured shorthold tenancies (as long as they are registered with a government approved code). Six months notice will be provided before this is implemented and then a further notice period will be given to transition existing tenancy agreements on to the new arrangements.

The Government is committed to offering similar means of redress to other letting arrangements and therefore all landlords (irrespective as to whether they use a letting agent) will be required to join a single approved Ombudsman scheme. The Ombudsman will provide 'fair, impartial and binding resolutions for many issues without resorting to court'. The Ombudsman will have powers to put things right for tenants, including compelling landlords to issue an apology, provide information, take remedial action, and/or pay compensation of up to £25,000. Consideration is being given as to whether PBSA will also be required to join a redress scheme.

Landlords will be legally required to register their property(ies) on a new digital Property Portal. Details are not forthcoming although allowing landlords 'to demonstrate regulatory compliance' suggest it will include uploading certification. The portal will also provide information and guidance to both landlords and tenants on rights and responsibilities.

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Emphasis will shift to state that landlords should not unreasonably withhold consent for a tenant to have a pet in the accommodation. The Tenant Fees Act will be amended to include pet insurance as a permitted payment.

Many accommodation providers request students pay rent in advance if they are unable to provide a guarantor. Where advance rent is paid and a tenant gives notice to bring a tenancy to an end then the landlord will be required to re-pay all excess rent paid. In addition consideration will be given as to whether a maximum of advance rent can be paid.

There are other issues under consideration such as Deposit passports and prohibitions on blanket bans on renting to families or in receipt of benefits.

Liverpool Student Homes will seek to provide further information on the White Paper and consideration on the 'unintended consequences' of any proposals as it progresses on it's journey to become law.