



Department for Levelling Up,
Housing & Communities

A Fairer Private Rented Sector

June 2022



**LEVELLING
— UP —**



A Fairer Private Rented Sector

Presented to Parliament
by the Secretary of State for Levelling Up, Housing and
Communities and Minister for Intergovernmental Relations
The Rt Hon Michael Gove MP, by Command of
Her Majesty.

June 2022

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Foreword from the Secretary of State

Everyone has a right to a decent home. No one should be condemned to live in properties that are inadequately heated, unsafe, or unhealthy. Yet more than 2.8 million of our fellow citizens are paying to live in homes that are not fit for the 21st century. Tackling this is critical to our mission to level up the country.

The reality today is that far too many renters are living in damp, dangerous, cold homes, powerless to put things right, and with the threat of sudden eviction hanging over them.

They're often frightened to raise a complaint. If they do, there is no guarantee that they won't be penalised for it, that their rent won't shoot up as a result, or that they won't be hit with a Section 21 notice asking them to leave.

This Government is determined to tackle these injustices by offering a New Deal to those living in the Private Rented Sector; one with quality, affordability, and fairness at its heart.

In our Levelling Up White Paper - published earlier this year - we set out a clear mission to halve the number of poor-quality homes by 2030.

We committed to levelling up quality across the board in the Private Rented Sector and especially in those parts of the country with the highest proportion of poor, sub-standard housing - Yorkshire and the Humber, the West Midlands, and the North West.

This White Paper – *A Fairer Private Rented Sector* – sets out how we intend to deliver on this mission, raising the bar on quality and making this New Deal a reality for renters everywhere.

It underlines our commitment, through the Renters Reform Bill, to ensure all private landlords adhere to a legally binding standard on decency.

The Bill also fulfils our manifesto commitment to replace Section 21 'no fault' eviction notices with a modern tenancy system that gives renters peace of mind so they can confidently settle down and make their house a home.

These changes will be backed by a powerful new Ombudsman so that disputes between tenants and landlords can be settled quickly and cheaply, without going to court.

This white paper also outlines a host of additional reforms to empower tenants so they can make informed choices, raise concerns and challenge unfair rent hikes without fear of repercussion.

Of course, we also want to support the vast majority of responsible landlords who provide quality homes to their tenants. That is one of the reasons why this White Paper sets out our commitment to strengthen the grounds for possession where there is good reason for the landlord to take the property back.

Together, these reforms will help to ease the financial burden on renters, reducing moving costs and emergency repair bills. It will reset the tenant-landlord relationship by making sure that complaints are acted upon and resolved quickly. Most importantly, however, the reforms set out in this White Paper fulfil this Government's pledge to level up the quality of housing in all parts of the country so that everyone can live somewhere which is decent, safe and secure - a place they're truly proud to call home.

Executive summary

The case for change

Everyone deserves a secure and decent home. Our society should prioritise this just like access to a good school or hospital. The role of the Private Rented Sector (PRS) has changed in recent decades, as the sector has doubled in size, with landlords and tenants becoming increasingly diverse. Today, the sector needs to serve renters looking for flexibility and people who need to move quickly to progress their careers, while providing stability and security for young families and older renters. It must also work for a wide range of landlords, from those with a single property through to those with large businesses.

Most people want to buy their own home one day and **we are firmly committed to helping Generation Rent to become Generation Buy.** We must reduce financial insecurities that prevent renters progressing on the path to home ownership and, in the meantime, **renters should have a positive housing experience.**



This White Paper **builds on the vision of the Levelling Up White Paper and sets out our plans to fundamentally reform the Private Rented Sector and level up housing quality.** Most private landlords take their responsibilities seriously, provide housing of a reasonable standard, and treat their tenants fairly. However, it is wrong that, in the 21st century, a fifth of private tenants in England are spending a third of their income on housing that is non-decent.¹ Category 1 hazards – those that present the highest risk of serious harm or death – exist in 12% of properties, posing an immediate risk to tenants' health and safety.²

This means some 1.6 million people are living in dangerously low-quality homes, in a state of disrepair, with cold, damp, and mould, and without functioning bathrooms and kitchens.³ Yet private landlords who rent out non-decent properties will receive an estimated £3 billion from the state in housing related welfare.⁴ It is time that this ended for good. No one should pay to live in a non-decent home.

Poor-quality housing is holding people back and preventing neighbourhoods from thriving. **Damp, and cold homes can make people ill, and cause respiratory conditions. Children**

1 English Housing Survey 2020 to 2021

2 English Housing Survey 2020 to 2021

3 DLUHC analysis based on English Housing Survey 2019 to 2020 data

4 National Audit Office, Regulation of Private Renting 2021

in cold homes are twice as likely to suffer from respiratory problems such as asthma and bronchitis.⁵ Homes that overheat in hot summers similarly affect people's health. In the PRS alone, this costs the NHS around £340 million a year.⁶ Illness, caused or exacerbated by living in a non-decent home, makes it harder for children to engage and achieve well in school, and adults are less productive at work. There is geographical disparity with the highest rates of non-decent homes in Yorkshire and the Humber, the West Midlands and the North West.⁷ Visibly dilapidated houses undermine pride in place and create the conditions for crime, drug-use, and antisocial behaviour.

Too many tenants face a lack of security that hits aspiration and makes life harder for families. Paying rent is likely to be a tenant's biggest monthly expense and private renters are frequently at the sharpest end of wider affordability pressures. Private renters spend an average of 31% of their household income on rent, more than social renters (27%) or homeowners with mortgages (18%),⁸ reducing the flexibility in their budgets to respond to other rising costs, such as energy.

Frequent home moves are expensive with moving costs of hundreds of pounds.⁹ This makes it harder for renters to save a deposit to buy their own home. Over a fifth (22%) of private renters who moved in 2019 to 2020 did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended.¹⁰ The prospect of being evicted without reason at two months' notice (so called 'no fault' Section 21 evictions) can leave tenants feeling anxious and reluctant to challenge poor practice. Families worry about moves that do not align to school terms, and **tenants feel they cannot put down roots in their communities or hold down stable employment. Children in insecure housing experience worse educational outcomes, reduced levels of teacher commitment and more disrupted friendship groups, than other children.**¹¹ In 2019 to 2020, 22% of tenants who wished to complain to their landlord did not do so.¹² In 2018, Citizens Advice found that if a tenant complained to their local council, they were five times more likely to be evicted using Section 21 than those who stayed silent.¹³

The existing system does not work for responsible landlords or communities either. We must **support landlords to act efficiently to tackle antisocial behaviour or deliberate and persistent non-payment of rent**, which can harm communities. Many landlords are trying to do the right thing but simply cannot access the information or support that they need to navigate the legal landscape, or they are frustrated by long delays in the courts. In addition, inadequate enforcement is allowing criminal landlords to thrive, causing misery for tenants, and damaging the businesses and reputations of law-abiding landlords.

Collectively, this adds up to a Private Rented Sector that offers the most expensive, least secure, and lowest quality housing to 4.4 million households, including 1.3 million households with children and 382,000 households over 65.¹⁴ This is driving unacceptable outcomes and holding back some of the most deprived parts of the country.

5 Housing and the health of young children, National Children's Bureau, 2016

6 National Audit Office, Regulation of Private Renting 2021

7 English Housing Survey data from 2019 to 2020 on non-decent homes shows Yorkshire and the Humber, the North East and North West have the highest proportion of non-decent rental homes with 33.7%, 27.9% and 33.7% respectively. London and the South East have the lowest proportion

8 English Housing Survey 2020 to 2021

9 For example, a YouGov Survey commissioned by Shelter in 2017 found that moving costs are on average £1,400. These results were based on a survey of 3,981 private renters of which 993 are private renters with children in their household (of whom 554 who had moved between privately rented homes). Research by Generation Rent from August 2021 found that moving costs were on average £1,705 https://d3n8a8pro7vhm.cloudfront.net/npto/pages/7616/attachments/original/1629821898/Costs_of_moving_analysis_Aug_21.pdf?1629821898

10 English Housing Survey 2019 to 2020

11 Moving-Always-Moving-Report.pdf (childrengroup.org.uk), Kristine von Simson & Janis Umblijs (2021) Housing conditions and children's school results: evidence from Norwegian register data, International Journal of Housing Policy, 21:3, 346-371, DOI: 10.1080/19491247.2020.1814190, 7-housing.pdf (instituteofhealththequity.org)

12 English Housing Survey 2019 to 2020

13 Touch and Go, how to protect renters from retaliatory evictions, Citizens Advice, 2018

14 English Housing Survey 2020 to 2021

Our ambition

We are committed to delivering a fairer, more secure, and higher quality Private Rented Sector. We believe:

1. All tenants should have access to a good quality, safe and secure home.
2. All tenants should be able to treat their house as their home and be empowered to challenge poor practice.
3. All landlords should have information on how to comply with their responsibilities and be able to repossess their properties when necessary.
4. Landlords and tenants should be supported by a system that enables effective resolution of issues.
5. Local councils should have strong and effective enforcement tools to crack down on poor practice.

What we have done

We have taken significant action over the past decade to improve private renting. In 2010, 1.4 million rented homes were non-decent, accounting for 37% of the total. This figure has fallen steadily to 1 million homes today (21% of the total).¹⁵

To improve safety standards, we have **required landlords to provide smoke and carbon monoxide detectors as well as regular electrical safety checks**. We supported the **Homes (Fitness for Human Habitation) Act 2018**, which means landlords must not let out homes with serious hazards that leave the dwelling unsuitable for occupation.

To help tenants and landlords in resolving disputes, we made it a requirement in 2014 for **letting and managing agents to belong to a government-approved redress scheme**. We have also given local councils stronger powers to take action against landlords who do not meet expected standards. We have introduced Banning Orders to drive criminal landlords out of the market, civil penalties of up to £30,000 as an alternative to prosecution, and a database of rogue landlords and agents. Over the last five years, **we have awarded £6.7 million to over 180 local councils to boost their enforcement work and support innovation**.

To reduce financial barriers to private renting, **we have capped most tenancy deposits at five weeks' rent and prevented landlords and agents from charging undue or excess letting fees**. Between 2010-11 and 2020-21 the proportion of household income (including housing benefit) spent on rent by private renters reduced from 35% to 31%.¹⁶

We have taken additional steps to protect private tenants when exceptional circumstances required. During the Coronavirus pandemic our **emergency measures helped tenants to remain in their homes by banning bailiff evictions, extending notice periods, and providing unprecedented financial aid**. These measures worked. There was a reduction of over 40% in households owed a homelessness duty following the end of an Assured Shorthold Tenancy (AST) in 2020 to 2021 compared with 2019 to 2020,¹⁷ and repossessions by county court bailiffs between January and March 2022 were down 55% compared to the same quarter in 2019.¹⁸

15 English Housing Survey 2020 to 2021

16 English Housing Survey 2010 to 2011 and English Housing Survey 2020 to 2021

17 DLUHC Statutory Homelessness Annual Report 2020 to 2021, England

18 Mortgage and landlord possession statistics: January to March 2022

Our 12-point plan of action

While the Government's action over recent years has driven improvements, we know there is more to be done. We are committed to robust and comprehensive changes to create a Private Rented Sector that meets the needs of the diverse tenants and landlords who live and work within it. We have a 12-point plan of action:

- 1. We will deliver on our levelling up housing mission to halve the number of non-decent rented homes by 2030 and require privately rented homes to meet the Decent Homes Standard for the first time.** This will give renters safer, better value homes and remove the blight of poor-quality homes in local communities.
- 2. We will accelerate quality improvements in the areas that need it most.** We will run pilot schemes with a selection of local councils to explore different ways of enforcing standards and work with landlords to speed up adoption of the Decent Homes Standard.
- 3. We will deliver our manifesto commitment to abolish Section 21 'no fault' evictions and deliver a simpler, more secure tenancy structure.** A tenancy will only end if the tenant ends it or if the landlord has a valid ground for possession, empowering tenants to challenge poor practice and reducing costs associated with unexpected moves.
- 4. We will reform grounds for possession to make sure that landlords have effective means to gain possession of their properties when necessary.** We will expedite landlords' ability to evict those who disrupt neighbourhoods through antisocial behaviour and introduce new grounds for persistent arrears and sale of the property.
- 5. We will only allow increases to rent once per year, end the use of rent review clauses, and improve tenants' ability to challenge excessive rent increases through the First Tier Tribunal** to support people to manage their costs and to remain in their homes.
- 6. We will strengthen tenants' ability to hold their landlord to account and introduce a new single Ombudsman that all private landlords must join.** This will provide fair, impartial, and binding resolution to many issues and be quicker, cheaper, and less adversarial than the court system. Alongside this, we will consider how we can bolster and expand existing rent repayment orders and enable tenants to be repaid rent for non-decent homes.
- 7. We will work with the Ministry of Justice and Her Majesty's Courts and Tribunal Service (HMCTS) to target the areas where there are unacceptable delays in court proceedings.** We will also strengthen mediation and alternative dispute resolution to enable landlords and tenants to work together to reduce the risk of issues escalating.
- 8. We will introduce a new Property Portal to make sure that tenants, landlords and local councils have the information they need.** The portal will provide a single 'front door' for landlords to understand their responsibilities, tenants will be able to access information about their landlord's compliance, and local councils will have access to better data to crack down on criminal landlords. Subject to consultation with the Information Commissioner's Office (ICO), we also intend to incorporate some of the functionality of the Database of Rogue Landlords, mandating the entry of all eligible landlord offences and making them publicly visible.
- 9. We will strengthen local councils' enforcement powers and ability to crack down on criminal landlords** by seeking to increase investigative powers and strengthening the fine regime for serious offences. We are also exploring a requirement for local councils to report

on their housing enforcement activity and want to recognise those local councils that are doing a good job.

- 10. We will legislate to make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits** and explore if similar action is needed for other vulnerable groups, such as prison leavers. We will improve support to landlords who let to people on benefits, which will reduce barriers for those on the lowest incomes.
- 11. We will give tenants the right to request a pet in their property, which the landlord must consider and cannot unreasonably refuse.** We will also amend the Tenant Fees Act 2019 so that landlords can request that their tenants buy pet insurance.
- 12. We will work with industry experts to monitor the development of innovative market-led solutions to passport deposits.** This will help tenants who struggle to raise a second deposit to move around the PRS more easily and support tenants to save for ownership.

We know action is needed now and the Renters Reform Bill will bring forward legislation in this Parliamentary session to deliver on our wide-reaching commitments. Collectively, this 12-point plan will create a Private Rented Sector that is fit for the 21st century. It will give good landlords the confidence and support they need to provide decent and secure homes. It will end the geographical disparities whereby renters in deprived areas are most likely to have to put up with terrible conditions that harm their health.

This 12-point plan will provide further support for tenants on their path to home ownership, in addition to government-backed schemes such as the new First Homes programme, the new Help to Buy: Equity Loan scheme, Shared Ownership scheme and mortgage guarantee scheme. These schemes have already helped over 774,000 households to purchase a home. We are going further to support home ownership by examining reform of the mortgage market to boost access to finance for first time buyers, extend the Right to Buy to Housing Association tenants, delivering on a long-standing commitment made by several governments, and removing home ownership disincentives in the welfare system. We will accelerate our progress on housing supply by working with communities to build the right homes in the right places across England.

We continue to take on board recommendations from the recent National Audit Office review and Public Accounts Committee report¹⁹ to inform our ambitious and comprehensive reforms. We are also very grateful to the wide range of stakeholders, tenants, agents, and landlords who have engaged with us, notably through a series of roundtables chaired by Eddie Hughes, Minister for Rough Sleeping and Housing. A summary of these discussions can be found annexed to this White Paper and we look forward to continuing to work with stakeholders to deliver these necessary reforms.

¹⁹ The NAO report is available at <https://www.nao.org.uk/report/regulation-of-private-renting/> and the PAC report is available at <https://committees.parliament.uk/publications/9608/documents/163793/default/>

A photograph of a brick building with a white window frame. In the foreground, a dark blue sign with a white border is positioned diagonally. The sign has the words 'TO LET' written in large, white, bold, sans-serif capital letters. The background shows the corner of the building with a tiled roof and a window with a white frame.

TO LET

Chapter 1:

The Private Rented Sector in England

1.1 Key facts and figures

All data is from DLUHC analysis of English Housing Survey 2020 to 2021, unless otherwise specified.



In 2020 to 2021, the Private Rented Sector accounted for 4.4 million (19%) households (65% are owner occupied and 17% are social housing), housing over 11 million people.²⁰ While the sector has doubled in size since the early 2000s, the proportion of PRS households has remained stable at around 19% or 20% since 2013 to 2014.



Private renters are younger than those in other tenures. In 2020 to 2021, those aged 16 to 34 accounted for 43.5% of private renters in England, with 25 to 34-year-olds the most common age group of private renters at 31%.



Adults of retirement age make up 8.6% of private renters, corresponding to 382,000 households. This is a 38% increase over the last decade (since 2010 to 2011).²¹



There are over half a million more households with dependent children in the Private Rented Sector than in 2005, making up 30% of the sector.



Private renters spend an average of 31% of their income, including housing support, on rent. In comparison, those buying their home with a mortgage spent 18% of their household income on mortgage payments and social renters paid 27% of their income on rent. Excluding income from housing related welfare, the average proportion of income spent on rent was 36% for social renters and 37% for private renters.



73% of private renters are working – 58% of private renters are in full time work and 15% in part-time work. However, 45% of Private Rented Sector households have no savings.



In 2020 to 2021, there were an estimated 1.1 million households in England who received Housing Benefit to help with the payment of their rent, representing 26% of all households in the rented sector.



There is a wide regional disparity in rental prices. Between October 2020 and September 2021, the average monthly rent in England was £898, but in London this was £1,597. This contrasts with the North East where the average was £572.²²

20 Figures do not total 100% due to rounding.

21 Adults of retirement age is defined as households with a Household Reference Person aged 65 or over.

22 Office for National Statistics private rental market summary statistics in England, October 2020 to September 2021



On average, private renters have lived in their current home for 4.2 years. This compares with 10.8 years for social renters and 16 years for owner occupiers. Of private renters who had lived in their current home for less than a year, 69% were previously in private rented housing.



Currently, 21% of homes in the Private Rented Sector are non-decent. The sector has the highest prevalence of Category 1 hazards – those that present the highest risk of serious harm or death. In 2020, 12% of PRS properties had such hazards, compared to 10% in the owner occupied sector and 5% in the social rented sector.



In total there are 333 local councils in England,²³ which play a vital role in regulating and enforcing compliance in the Private Rented Sector. Councils are made up of London boroughs, two-tier county and district councils, metropolitan and unitary authorities. In two-tier authorities, most PRS regulatory functions are run by district councils.



Regions in England with the highest percentages of private rented homes as a proportion of their total housing stock are London (27.3%), the South West (20.02%) and Yorkshire and the Humber (19.0%). The national average is 19.4%.²⁴



While two thirds of private renters could afford the monthly costs of the average mortgage, 45% have no savings, and just 9.5% of households have adequate savings to achieve a 95% loan to value mortgage.²⁵



The majority of households who moved from a privately rented home ended their last tenancy because they wanted to move. However, more than one fifth of renters (22%) who moved in the past year did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended.²⁶

23 Local government structure and elections guidance, <https://www.gov.uk/guidance/local-government-structure-and-elections>

24 Office for National Statistics, Subnational estimates of dwellings by tenure 2012 to 2020, England, 2022 <http://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates>

25 Bank of England Financial Stability Report, December 2021

26 English Housing Survey 2019 to 2020



1.2 The people who live, work, and invest in the PRS

<h3>Tenants</h3>  <p>There are an estimated 4.4 million households in the PRS, housing over 11 million people.²⁷</p>	<h3>Local Councils</h3>  <p>There are a total of 333 local councils in England.²⁸</p>
<h3>Landlords</h3>  <p>There are an estimated 2.3 million landlords in England.²⁹</p>	<h3>Letting Agents</h3>  <p>There are an estimated 19,000 letting agents in England.³⁰</p>

The Private Rented Sector (PRS) has changed in recent decades. The sector has doubled in size and both landlords and tenants have become increasingly diverse. It is still an important home for young professionals and students seeking flexibility but increasing numbers of families and older renters now also look to the sector for a stable and secure home. There is also great variety in landlords. Some are large corporates with equally large portfolios. Others are individuals letting a property as an investment for the future. As the distribution of PRS properties across England varies, the sector can also look and feel different depending on location. The PRS must function well for all those who live and work within it.³¹

We have undertaken robust analysis to understand the differing outcomes and experiences among private renters and how best we can support them, especially more vulnerable renters.³² We have undertaken similar analysis to understand the different types of landlords letting in the PRS.³³ Detailed analysis through the English Housing Survey and English Private Landlord Survey continue to inform our policy plans and regulatory approach. A summary of this analysis is set out below.

Tenants

Private Rented Sector tenant profiles have changed markedly over the past 30 years. In the 1990s, a PRS tenant was most likely to be a student studying away from home, or a ‘young professional’ renting while saving up to buy their own home. Households with an older Household Reference Person (HRP, which is the person who is responsible for the household or in whose name the property is rented) have increased disproportionately more than those with younger HRPs. In 2020 to 2021, there were 77% more PRS households with a HRP under 35 than in 1995; in 2020 to 2021, there were 157% more households with a HRP aged 35 or older than in 1995.³⁴

Based on what we know about the financial and housing circumstances of private renters, we can broadly separate them into six distinct groups (see Figure 1 below).

27 English Housing Survey 2020 to 2021.

28 Local government structure and elections guidance, <https://www.gov.uk/guidance/local-government-structure-and-elections>

29 HMRC, 15 July 2021. It excludes furnished holiday lettings and only covers landlords that declared income via their self-assessment tax returns in 2019 to 2020. Not all individuals with property income are required to declare it. For example, those with income below the £1,000 property allowance are not required to tell HMRC. Some individuals with property income between £1,000 to £2,500 will declare this via PAYE rather than Self-Assessment. These individuals are not included in this data.

30 This is an estimation based on membership data provided to the Department by The Property Ombudsman and The Property Redress Scheme, 2022. It does not account for letting agents that are non-compliant with the requirement to be members of a redress scheme

31 Beyond these broad categories, we also recognise that there are further parties outside the PRS who maintain an interest in Private Rented Sector law and potential reforms. The diversity of the market means that policy interventions must be finely balanced and ensure they work effectively across the different scenarios.

32 <https://www.gov.uk/government/collections/english-housing-survey#research-reports>

33 <https://www.gov.uk/government/publications/english-private-landlord-survey-segmenting-private-landlord-compliance/segmenting-private-landlord-compliance>

34 DLUHC analysis based on English Housing Survey data.

Figure 1: Tenant groups, based on English Housing Survey analysis



Tenant

Comfortable Renters / approximately 1.94 million households

44%



Tend to be in managerial professions and/or education to degree level



Most likely to need flexible tenancies



1 in 4 expect to remain in PRS



71% expect to buy their own home



Unlikely to have low income or be in ill-health



36% of those who expect to buy generally hope to do so within 2 years

Families getting by / approximately 759,000 households

17%



Spend high proportion of income on rent and unlikely to have savings



34% report difficulty paying the rent



1 in 7 live in overcrowded accommodation



37% have had problems with damp/condensation



These renters are among the most dissatisfied with their current property



Most likely to be couples with dependent children

Low Income Savers / approximately 726,000 households

16%



Low incomes and spend high proportion of income on rent but have savings



87% satisfied with current property



1 in 5 lead tenants are aged 25 or younger



54% expect to buy but generally not in the next 2 years



The main need of this group is affordability due to home ownership aspirations



In PRS for relatively short time



Tenant

Struggling Families / approximately 473,000 households

11%



Very likely to be on low incomes without savings and receive housing support



49% report difficulty paying the rent



3 in 4 are lone parents with dependent children



27% households expect to move into social housing longer term



1 in 10 on the waiting list for social housing



More likely to come from a Black and/or other minority ethnic background

Vulnerable Singles / approximately 424,000 households

10%



Very likely to live alone and be on low income without savings



81% satisfied with current property



1 in 5 tenants are in paid work



50% are likely to spend five or more years in their current accommodation



55% expect to remain in PRS



10% are currently on the waiting list for social housing

Older Renters / approximately 121,000 households

3%



Most likely to have lived in current accommodation for 5 or more years



87% reported being mostly happy with their current property



9 in 10 are aged 65 or over



82% generally satisfied with being in the PRS



Often long-term private renters



7% report difficulty paying the rent

The PRS still provides a vital home for students and young professionals, but as Figure 2 shows, over recent decades there has been an increase in other groups who rent privately. For example, the number of households in the PRS receiving housing related welfare has almost tripled from 411,000 in 2003 to 2003/2004 to 1,140,000 in 2020/2021.³⁵ Compared to the 1990s, a PRS tenant in 2020 was, on average, older and much more likely to be living with children, to have reached retirement age, or to be renting on a low income.

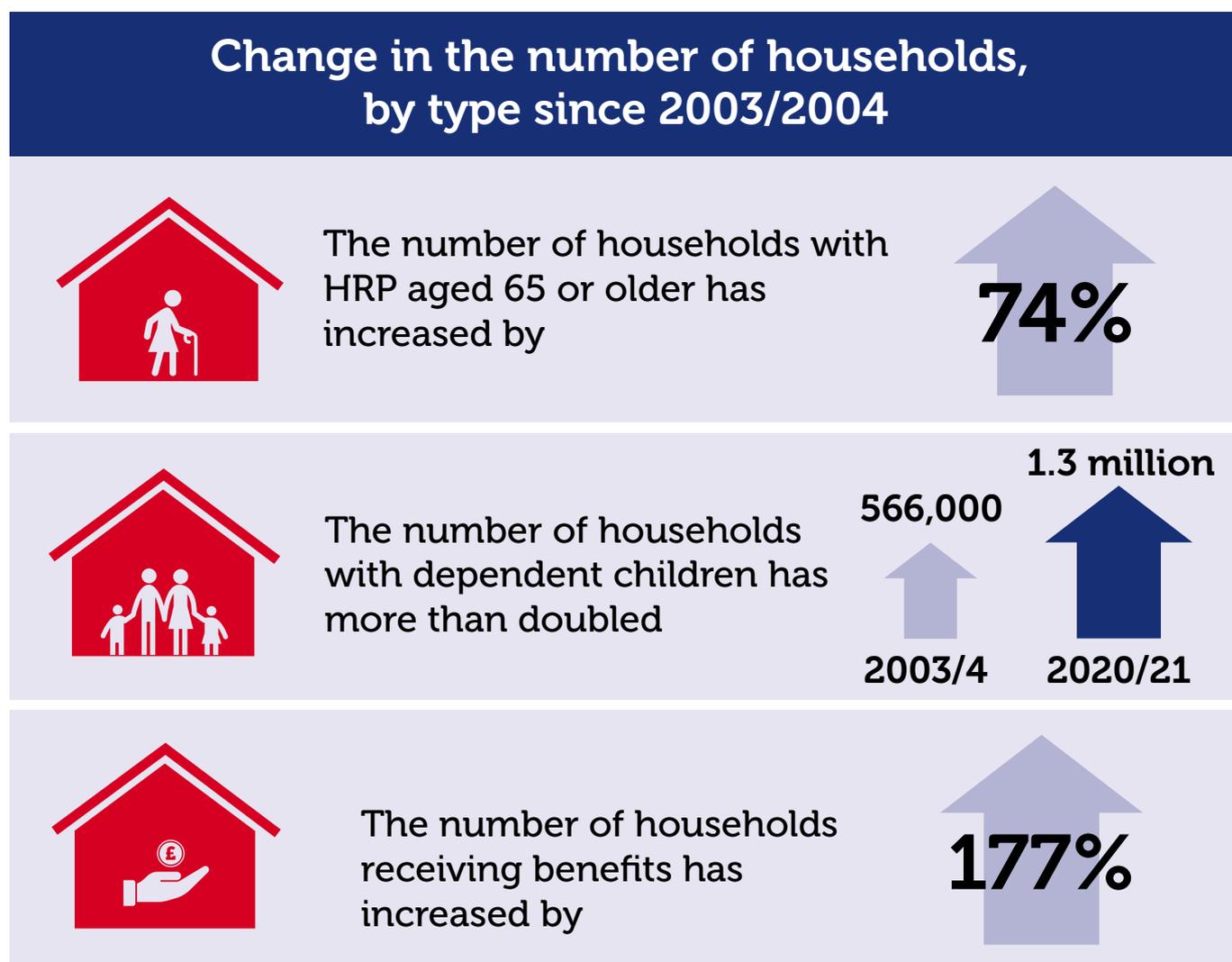


Figure 2: Change in the number of households by type since 2003/2004

(Source: English House Condition Survey 2003/2004 and English Housing Survey 2020/2021)

Landlords

There are approximately 2.3 million landlords operating in England.³⁶ Landlords have a range of reasons for letting out properties and this may affect their views on the role of a landlord. While not an exhaustive list, the graphic below describes five groups of landlords. We have segmented landlords based on patterns of compliance with legislation and good practice. The data shows that the majority of private landlords meet the legal requirement to rent out a property (54%) and only a small proportion (11%) of landlords have lower levels of compliance and awareness (see figure 3).

³⁵ English House Condition Survey 2003 to 2004 and English Housing Survey 2020 to 2021

³⁶ HMRC, 15 July 2021. It excludes furnished holiday lettings and only covers landlords that declared income via their self-assessment tax returns in 2019 to 2020. Not all individuals with property income are required to declare it. For example, those with income below the £1,000 property allowance are not required to tell HMRC. Some individuals with property income between £1,000 to £2,500 will declare this via PAYE rather than Self-Assessment. These individuals are not included in this data.

FLAT 1

FLAT 2

FLAT 3

FLAT 4

FLAT 5

FLAT 6



Figure 3: Landlord groups, based on English Private Landlord Survey analysis



Landlord

Demonstrating good practice

Landlords most likely to be compliant with both legislation and good practice indicators

30%

of the private landlord population



Most likely get information from a landlord organisation and use this to ensure compliance



Engaged and knowledgeable about the quality of their portfolio



Property is a significant part of their professional and financial plan



Concerned about legislative changes that may affect letting practices



Aware of legislative changes and carried out relevant legal requirements

Mixed Compliance

Landlords likely to report mixed compliance with legislation, though many comply with good practice indicators

24%

of the private landlord population



Have some awareness of regulation changes but overall do not feel as though they have a good understanding of these



Property is seen as a rental income and pension contribution



A bit more hands-off and may not know all the details of their property



May not have carried out relevant document checks, but would have carried out safety checks



Not a member of a landlord association and rely on **GOV.UK** and other online media and their letting agents for information

Criminal Landlords

There is evidence of a small number of criminal landlords operating in the Private Rented Sector. The exact number is unknown as the English Private Landlord Survey only covers landlords who enrol in the deposit protection schemes.



Landlord

Meeting Legal Requirement

Landlords likely to be compliant with most legislation, though less likely to be compliant with good practice indicators.



Engaged and responsible, ensuring all legal and safety requirements have been carried out, especially relating to EPC and safety



Aware of upcoming changes that might affect letting practices and have some concerns about legislative changes



Property is viewed as source of investment income alongside other economic activities



Get information from **GOV.UK**, online forum and letting agents

35%

of the **private** landlord population

Lower Compliance & Awareness

Landlords least likely to be compliant with either legislation or good practice indicators



Have limited awareness and knowledge about upcoming tax and regulatory changes



Get compliance and regulation information from informal sources



Tend not to have complied with various legal requirements or good practice indicators



Most likely to be concerned with tenant behaviour



In work separate to landlord practice and detachment from property is reflected in letting practice

11%

of the **private** landlord population

Criminal Landlords



Often target more vulnerable tenants, who may be less aware of their rights or unable to act on them



Behaviour includes scam lettings, frequent use of illegal eviction, harassment, theft, threats of violence and extreme overcrowding

Letting agents

There are an estimated 19,000 letting agents in England according to data from the Property Ombudsman and the Property Redress Scheme (all letting agents are required to join one of these two redress schemes).³⁷ Agents play an important role in the PRS. They support landlords to understand and comply with their responsibilities and help tenants find a suitable property to rent. The English Private Landlord Survey 2021 found that 49% of landlords did not use an agent, 46% used an agent for letting services and 18% used an agent for management services.³⁸

Local councils

Local councils are responsible for enforcing relevant regulations and working with their local PRS, usually to intervene in poor conditions, poor management, or unlawful evictions. Local councils also have a duty to prevent and relieve homelessness, including by helping families to sustain their tenancies or access new properties.

The government's New Burdens Doctrine is clear that anything which issues a new expectation on the sector (irrespective of whether it is legislation or guidance) should be assessed for new burdens. DLUHC will conduct a new burdens assessment into the reform proposals set out in this White Paper, assess their impact on local government, and, where necessary, fully fund the net additional cost of all new burdens placed on local councils.

Courts

Courts help to resolve disputes relating to the Private Rented Sector. Cases are primarily heard in two locations: the County Court and the First-tier Tribunal (Property Chamber). Examples of cases heard in the County Court include claims for possession by private landlords, claims for unpaid rent or damages by landlords and claims by renters for damages for unlawful/illegal eviction and injunctions. Examples of cases heard by the First-tier Tribunal include appeals by landlords against local council enforcement notices or prohibition orders, and financial penalties for housing offences, Banning Orders, and Rent Repayment Orders (RROs).

Others working in the PRS

As well as seeking legal remedies via the courts, tenants can seek support for resolving disputes from the letting agent redress schemes and deposit protection schemes operating in the Private Rented Sector. Charities and advice organisations, such as Citizens Advice and Shelter, also offer advice and guidance to renters about their landlord or property, and landlords can seek support or guidance about issues relating to their tenants or property from membership bodies such as the National Residential Landlords Association (NRLA).

³⁷ This is an estimation based on membership data provided to the Department by The Property Ombudsman and The Property Redress Scheme, 2022. It does not account for letting agents that are non-compliant with the requirement to be members of a redress scheme

³⁸ English Private Landlord Survey 2021. This figure is based on responses from landlords who have personally registered a deposit with one of the three government-approved tenancy deposit schemes.



Chapter 2:

Safe and Decent homes

We believe:

- All tenants should have access to a good quality and safe home.
- No-one should pay rent to live in a substandard, or even dangerous, property.
- Standards in the Private Rented Sector should go beyond safety – an expectation that already exists in the Social Rented Sector.
- Landlords should have a clear benchmark for standards in the properties that they let.

We have:

- Passed regulations in 2015 requiring private landlords to provide smoke detectors and carbon monoxide detectors in all relevant properties.
- Introduced legislation requiring properties to be fit for human habitation. The Homes (Fitness for Human Habitation) Act 2018 states that landlords must not let out homes with serious hazards that mean the dwelling is not suitable for occupation in that condition.
- Required privately rented properties meet a minimum energy efficiency standard of EPC E, since 2020, to make it easier for renters to keep their homes warm, while supporting wider aims to make housing more energy efficient.
- Introduced regulations in 2020 to require landlords to carry out electrical safety checks every five years.

We will:

- 1. Deliver on our Levelling Up housing mission to halve the number of non-decent rented homes by 2030 and require privately rented homes to meet the Decent Homes Standard for the first time.**
- 2. Accelerate quality improvements in the areas that need it most.**

Everyone deserves to live in a safe and decent home. Most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, this is not universal practice and too many of the 4.4 million households that rent privately live in poor conditions, paying a large proportion of their income to do so. Poor-quality housing undermines renters' health and wellbeing, affects educational attainment and productivity, and reduces pride in local areas.³⁹ Lower quality homes with poorer, or no, insulation can increase energy bills, adding to the pressures that low-income renters face.

Despite significant improvements over the past decade, over a fifth of privately rented homes (21%) are non-decent, and 12% have serious 'Category 1' hazards, which pose an imminent risk to renters' health and safety.⁴⁰ A greater proportion of non-decent homes are in Yorkshire and the Humber, the West Midlands, and the North West.⁴¹ Poor housing conditions are putting an unnecessary burden on health spending. It costs the NHS £340 million per year to treat private renters who are affected by non-decent housing.⁴² It is also not acceptable for good landlords to be undercut by those offering a poor-quality home. We are committed to stamping out poor practice and making the PRS fit-for-purpose.



39 Poor-quality housing harms health and evidence shows that exposure to poor housing conditions (including damp, cold, mould, noise) is strongly associated with poor health, both physical and mental. *Health Equity in England: The Marmot Review 10 Years On*, 2020. <https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on>

A wide range of evidence has found strong associations between substandard housing and mental health, socioemotional development, psychological distress, behavioural problems, and educational outcomes of children and young people. *Housing: voluntary sector action on the social determinants of health*, 2017 <https://www.instituteofhealthequity.org/file-manager/resources/npcreports/7-housing.pdf>

Poor housing conditions have a long-term impact on health, increasing the risk of severe ill-health or disability by up to 25 per cent during childhood and early adulthood. *Chance of a Lifetime, Shelter*, 2006 https://assets.ctfassets.net/6sxvmndnps/4LTXp3mya7ligRmNG8x9KK/6922b5a4c6ea756ea94da71ebdc001a5/Chance_of_a_Lifetime.pdf

40 Hazards in all residential accommodation are assessed using the Housing Health and Safety Rating System (HHSRS), which includes falls, damp, and mould, excess cold and fire. The HHSRS categorises hazards by seriousness, and local authorities have a duty to take action if they identify 'Category 1' hazards.

41 English Housing Survey 2019, dwelling stock data

42 National Audit Office, Regulation of Private Renting 2021

2.1 The Decent Homes Standard in the PRS

The Decent Homes Standard is a regulatory standard in the Social Rented Sector but there is no requirement for PRS properties to meet any standard of decency. It isn't right that social renters can expect a higher quality home than a private renter.



It is important that there are set standards across the PRS. I think this will be beneficial to both landlords and tenants.

Landlord, South East, aged 35-44



We will legislate to introduce a legally binding Decent Homes Standard (DHS) in the Private Rented Sector for the first time. This is a key plank of our ambitious mission to halve the number of non-decent homes across all rented tenures by 2030, with the biggest improvements in the lowest performing areas. We will consult shortly on introducing the Decent Homes Standard into the Private Rented Sector and deliver parity across the rented tenures.

To be 'decent' we will require that a home must be free from the most serious health and safety hazards, such as fall risks, fire risks, or carbon monoxide poisoning. It is unacceptable that hazardous conditions should be present in people's homes when they can be fixed with something as simple as providing a smoke detector or a handrail to a staircase.

Landlords must make sure rented homes don't fall into disrepair, addressing problems before they deteriorate and require more expensive work. Kitchens and bathrooms should be adequate, located correctly and – where appropriate – not too old, and we'll also require decent noise insulation. Renters must have clean, appropriate, and useable facilities and landlords should update these facilities when they reach the end of their lives. We will also make sure that rented homes are warm and dry. It is not acceptable that some renters are living in homes that are too cold in winter, too hot in summer, or damp and mouldy.





I have experienced problems such as damp and mould in my property. After months of the problem not being addressed, I decided to move.

Tenant, 25-34



Putting a legislative duty on private landlords to meet the Decent Homes Standard will raise standards and make sure that all landlords manage their properties effectively, rather than waiting for a renter to complain or a local council to take enforcement action. We will give local councils the tools to enforce the Decent Homes Standard in the PRS so that they can crack down on non-compliant landlords while protecting the reputation of responsible ones.

As part of the pathway to applying the Decent Homes Standard to the PRS, we will complete our **review of the Housing Health and Safety Rating System (HHSRS)**. This system is used to assess the seriousness of hazardous conditions (one element of the Decent Homes Standard), including things like fire and falls but also excess cold (which is common in the sector) and excess heat (which is a growing concern in light of the changing climate). The review is due to conclude in autumn 2022. We want to make it easier for landlords and tenants to understand the standards required, supporting increased compliance. The review will streamline the process that local councils take in inspecting properties to assess hazards.

To meet our net zero target, we need to have largely eliminated emissions from our housing stock by 2050. We will need to make significant progress towards that goal over the coming decade to meet our Carbon Budgets. In 2017, the government set out in the Clean Growth Strategy (CGS) its ambition for as many homes as possible to be upgraded to EPC Band C by 2035.⁴³ For the PRS, the CGS committed to upgrade as many homes as possible to EPC Band C by 2030, where practical, cost-effective, and affordable. Our collaborative work on Minimum Energy Efficiency Standards (MEES) in the PRS with the Department for Business, Energy, and Industrial Strategy (BEIS) will mean warmer, more energy efficient homes. Upgrading energy efficiency to band C produces average cost savings for energy bill payers of approximately £595 per annum (upgrading from EPC band E) or £1,339 per annum (upgrading from EPC F/G).⁴⁴

We have also announced our intention to introduce new powers for local councils to manage their local supported housing market and take action against poor quality providers, helping ensure residents receive the support they should expect.

These are ambitious reforms, and we will take steps to streamline requirements on landlords. We will consider how best to support good landlords, including phased introductions of reforms where needed. In the longer-term, we are interested in considering whether there is scope to introduce a system of regular, independent checks to make sure that tenants are confident in a property's condition from the outset; exploring the costs and benefits of an independent regulator for the PRS; and considering the case for further consolidation of existing legislation. These are issues that we are keen to research further and explore with stakeholders.

⁴³ <https://www.gov.uk/government/publications/clean-growth-strategy>

⁴⁴ English Housing Survey 2019 to 2020

2.2 Quality improvements in the areas that need it most

We will run pilot schemes with a selection of local councils to trial improvements to the enforcement of existing standards and explore different ways of working with landlords to speed up adoption of the Decent Homes Standard.

We have reinvigorated our engagement programme with a wide range of local councils, and we continue to expand our reach across England. We intend this to be an ongoing collaboration so that we better understand the challenges local councils face. We will use this ongoing engagement to provide enhanced guidance and identify exemplar enforcement approaches to create best practice information to share with all local councils.

Case study: better compliance and raising standards: a partnership with Blackpool

Blackpool has some of the worst housing conditions in the country. Many former bed and breakfast properties have been converted into privately rented homes, with large numbers of poor-quality Houses in Multiple Occupation (HMOs). One in three properties in inner Blackpool are non-decent under current standards, and there are high concentrations of people, often vulnerable, living in poor conditions: the NHS has estimated that hazards relating to poor housing carry a cost of £11 million a year to local health budgets. 80% of private renters in inner Blackpool receive housing support, meaning that many landlords are profiting from housing people in unacceptable conditions at the expense of the welfare budget.

The government is working with Blackpool Council to strengthen enforcement. This will drive up compliance with existing health and safety requirements, penalising or banning landlords who don't meet basic standards, and gathering information on how rental properties in Blackpool measure up against the reformed Decent Homes Standard.

With funding from DLUHC, the Council will recruit an expanded local enforcement team to tackle exploitation in the local Private Rented Sector and supported housing market, driving up housing quality and protecting the most vulnerable. At the same time, the Council will run an information campaign to make sure that landlords understand their responsibilities and tenants know their rights.

Alongside this enforcement drive, Homes England will join forces with Blackpool Council, using additional funding to explore regeneration opportunities to improve Blackpool's housing stock and quality of place.

There will also be further support for residents in supported housing, with funding to better standards of support and drive out unscrupulous providers.

To increase quality and value for money in supported housing, we will invest a total of £20 million to fund local councils facing some of the most acute challenges as part of a three-year Supported Housing Improvement Programme. This programme will provide councils with the capacity and capability they need to address local challenges. Alongside this, we will increase the consistency and impact of local efforts to drive up the quality of supported housing by publishing best practice, based on the approaches that councils found most effective in driving up standards.



Chapter 3:

Increased Security and More Stability

We believe:

- No tenant should be evicted against their will without proper reason and proportionate notice.
- Tenants, whatever their circumstances, should have confidence that they can remain in their home and be able to put down roots in their communities.
- Tenants should be able to move if their life circumstances change or they are unhappy with the property.
- Landlords should be able to regain possession of their properties efficiently when they have a valid reason to do so.

We have:

- Introduced a model tenancy agreement to support landlords and tenants to agree longer-term tenancies.
- Introduced temporary emergency measures during the Coronavirus (COVID-19) pandemic to sustain tenancies by banning county court bailiff evictions, extending notice periods, working with the judiciary to implement a six-month stay on possession proceedings and providing unprecedented financial aid.

We will:

- 3. Abolish Section 21 'no fault' evictions and deliver a simpler, more secure tenancy structure.**
- 4. Reform grounds for possession to make sure that landlords have effective means to gain possession of their property where necessary.**

It has become increasingly apparent that the current tenancy system doesn't always provide the security that those renting privately need or the flexibility to respond to changes in circumstances. This is hitting aspiration and making life harder for families. The lack of security makes it difficult for tenants to challenge poor practice or save for a home of their own. 22% of private tenants who moved from privately rented accommodation between 2019 to 2020 did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended,⁴⁵ and nearly half of private renting households have no savings.⁴⁶

The most common form of tenancy in the PRS is an Assured Shorthold Tenancy (AST). The current tenancy system mixes fixed-term tenancies with periodic tenancies. While this appears to offer choice, these complexities can be difficult to understand, and tenants do not always have the power to negotiate their preference at the outset. Both types of contracts are described in Figure 4.

Fixed terms commit both landlord and tenant for an agreed period, typically 6 or 12 months.

During a fixed term, landlords cannot use Section 21 to evict a tenant, though they can use other grounds for possession.

Tenants can only leave during a fixed term with the landlord's agreement, and they must pay rent for the duration, unless agreed otherwise. At the end of a fixed term, tenancies do not automatically end – instead becoming periodic unless a new fixed term is agreed, or notice is served.

Periodic tenancies are weekly or monthly tenancies that do not last for a fixed period. They offer more flexibility to tenants and landlords.

If a tenant wants to leave the property, they are liable for the rent until the required notice period has expired. This is typically one month but can vary.

A landlord can end a periodic tenancy with two months' notice by using a Section 21 eviction notice or by using other grounds for possession.

Figure 4: tenancy types in the Private Rented Sector

Locking parties into a contract undermines the flexibility that the Private Rented Sector offers and restricts tenants' and landlords' ability to react to changing personal circumstances. Similarly, it is wrong that tenants feel unable to challenge poor standards in their home because they worry that their landlord will use Section 21 to evict them, rather than deal with their complaints. In 2018, Citizens Advice found that tenants receiving a Section 21 notice were five times more likely to have recently made a complaint to their council compared to those who had not.⁴⁷

45 English Housing Survey, 2019 to 2020

46 45% of PRS households have no savings, English Housing Survey, 2020 to 2021

47 *Touch and Go*, Citizens Advice, 2018

Case Study – Section 21 eviction during the winter

David was renting a property in Hastings for just over 8 years with his wife and children. During the course of this tenancy, they didn't speak to their landlord as any issues were dealt with directly with the letting agency. In November 2021, David received a Section 21 eviction notice from his agency, without explanation. David spent the two months notice period struggling to quickly find an affordable and suitable rental property for his family. Moving in the run up to Christmas was hard on his family, especially his children.

The unexpected nature of the eviction put a large amount of stress on the family. His youngest child had spent most of his childhood years in this house and found it hard to leave the place he thought of as home. David felt like the lack of control and power he had when he received the eviction notice was unfair and humiliating. He felt as though his children looked up to their father and relied on him to offer them stability, but that the Section 21 eviction notice meant he was unable to provide this. David, 35-44, South East

For many tenants, the flexibility of the PRS is its attraction, for example those on the cusp of home ownership who want to be able to move quickly when the opportunity arises. For other tenants, a stable tenancy is paramount for employment, education, and social support. Frequent home moves are expensive, costing renters hundreds of pounds, and they must often pay higher rents for the home they move into.⁴⁸ Average asking rents for new properties have risen by 10.8%, with those in London having risen by 14.3% in the 12 months to March 2022.⁴⁹ This can put additional financial pressure on families, meaning they have less money available for a deposit when buying a home or for other essentials such as food or heating. For the most vulnerable, eviction can mean homelessness.



I'm worried that if I complain to my landlord about a problem with my property, they might increase the rent or even evict me. It is really stressful and expensive to find suitable accommodation in the PRS, so I tend to sort the issue out myself as I don't want to seem like a 'bother' to my landlord.

Tenant, London, 25-34, focus group.



48 For example, a YouGov Survey commissioned by Shelter in 2017 found that moving costs are on average £1,400. These results were based on a survey of 3,981 private renters of which 993 are private renters with children in their household (of whom 554 who had moved between privately rented homes). Research by Generation Rent from August 2021 found that moving costs were on average £1,705 https://d3n8a8pro7vhmx.cloudfront.net/npto/pages/7616/attachments/original/1629821898/Costs_of_moving_analysis_Aug_21.pdf?1629821898

49 Rightmove Rental Price Tracker, Q1 2022

3.1 Abolish Section 21 evictions and deliver a simpler tenancy structure

We will abolish Section 21 evictions and simplify tenancy structures. To achieve this, we will move **all tenants who would previously have had an Assured Tenancy or Assured Shorthold Tenancy onto a single system of periodic tenancies.** This will provide greater security for tenants while retaining the important flexibility that privately rented accommodation offers. This will enable tenants to leave poor quality properties without remaining liable for the rent or to move more easily when their circumstances change, for example to take up a new job opportunity. Tenants will need to provide two months' notice when leaving a tenancy, ensuring landlords recoup the costs of finding a tenant and avoid lengthy void periods. Landlords will only be able to evict a tenant in reasonable circumstances, which will be defined in law, supporting tenants to save with fewer unwanted moves. Removing Section 21 will level the playing field between landlord and tenant, empowering tenants to challenge poor practice and unjustified rent increases, as well as incentivising landlords to engage and resolve issues. With a single tenancy structure, both parties will better understand their rights and responsibilities.



If both the landlord and tenant adhere to their responsibilities, longer tenancies are beneficial for both parties. It provides tenants with the stability of knowing they can stay in the property, while landlords do not have to worry about their property being vacant.

Landlord, East Midlands, 45-54



Section 21 and Assured Shorthold Tenancies are used by a range of housing sectors. Most students will continue to move property at the end of the academic year. However, for certain students, this is not appropriate, for example because they have local ties or a family to support. It is important that students have the same opportunity to live in a secure home and challenge poor standards as others in the PRS. Therefore, students renting in the general private rental market will be included within the reforms, maintaining consistency across the PRS. We recognise, however, that Purpose-Built Student Accommodation cannot typically be let to non-students, and we will exempt these properties – with tenancies instead governed by the Protection from Eviction Act 1977 - so long as the provider is registered for a government-approved code.⁵⁰

We will allow time for a smooth transition to the new system, supporting tenants, landlords and agents to adjust, while making sure that tenants can benefit from the new system as soon as possible. We will implement the new system in two stages, ensuring all stakeholders have sufficient notice to implement the necessary changes.

⁵⁰ There are 3 government approved codes: Universities UK/Guild HE Code of Practice for the Management of Student Housing, Accreditation Network UK (ANUK)/Unipol Code of Standards for Larger Residential Developments, and ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation Not Managed and Controlled by Educational Establishments

We will provide at least six months' notice of our first implementation date, after which all new tenancies will be periodic and governed by the new rules. Specific timing will depend on when Royal Assent is secured. To avoid a two-tier rental sector, and to make sure landlords and tenants are clear on their rights, all existing tenancies will transition to the new system on a second implementation date. After this point, all tenants will be protected from Section 21 eviction. We will allow at least twelve months between the first and second dates.

The Government is clear that misuse of the system or any attempt to find loopholes will not be tolerated, and the reforms that we are putting in place for tenants will only make a difference if they are effectively enforced. We will consider the case for new or strengthened penalties to support existing measures, including the power for councils to issue Civil Penalties Notices for offences related to the new tenancy system. We will also explore how to help local councils in tackling illegal evictions.

Tenants in the PRS are protected from illegal evictions and harassment under the Protection from Eviction Act 1977. Local councils and the police have enforcement powers to investigate cases of illegal evictions and harassment and can prosecute where an offence has been committed. We understand, however, that successful prosecutions are rare and there is a great deal of variation in enforcement practice across the country. We recognise the need to clamp down on illegal evictions and ensure that the statutory framework is robust so that we can protect tenants. We will consider if amendments to the Protection from Eviction Act 1977 are necessary to help local authorities in tackling illegal evictions, for example permitting local councils to issue civil penalties for cases of illegal evictions and harassment; how we can support local councils to work effectively with the police; and how to ensure penalties reflect the serious impact that illegal eviction has on tenants.

3.2 Reformed grounds for possession

The system must work for responsible landlords, letting agents, and communities. Landlords who maintain good letting practices and standards are a valuable part of our housing market and must be able to regain possession of their properties when necessary. **We will reform grounds of possession so that they are comprehensive, fair, and efficient**, striking a balance between protecting tenants' security and landlords' right to manage their property.

Recognising that landlords' circumstances can change, **we will introduce a new ground for landlords who wish to sell their property and allow landlords and their close family members to move into a rental property**. We will not allow the use of these grounds in the first six months of a tenancy, replicating the existing restrictions on when Section 21 can be used. This will provide security to tenants while ensuring landlords have flexibility to respond to changes in their personal circumstances.

Landlords have raised concerns that some tenants pay off a small amount of arrears – taking them just below the mandatory repossession threshold of two months' arrears (which must be demonstrated both at time of serving notice and hearing) - to avoid eviction at a court hearing. Where tenants do this repeatedly it represents an unfair financial burden on landlords in lost rent and court costs and indicates that a tenancy may be unsustainable for a tenant. **We will introduce a new mandatory ground for repeated serious arrears**. Eviction will be mandatory where a tenant has been in at least two months' rent arrears three times within the previous three years, regardless of the arrears balance at hearing. This supports landlords facing undue burdens, while making sure that tenants with longstanding tenancies are not evicted due to one-off financial shocks that occur years apart.

We will increase the notice period for the existing rent arrears eviction ground to four weeks and will retain the mandatory threshold at two months' arrears at time of serving notice and hearing. This will make sure that tenants have reasonable opportunity to pay off arrears without losing their home. We recognise that tenants may sometimes breach the relevant thresholds for the mandatory rent arrears grounds because of the timing of their welfare payments. This could occur, for instance, because a relevant benefits payment – which the tenant has been assessed as entitled to – has not yet been paid out. We will prevent tenants in this scenario from being evicted, provided it is the reason they have exceeded the mandatory rent arrears threshold.

In cases of criminal behaviour or serious antisocial behaviour, we will lower the notice period for the existing mandatory eviction ground and explore whether further guidance would help landlords and tenants to resolve issues at an earlier stage.

We will introduce new, specialist grounds for possession to make sure that those providing supported and temporary accommodation can continue to deliver vital services. We will also ensure that Private Registered Providers continue to have access to the same range of grounds as private landlords and the agriculture sector can continue to function through grounds to support rural employment.

We know that when landlords pursue possession, they want a reasonable degree of certainty about the outcome. As far as possible, we have defined grounds unambiguously – so landlords can have certainty that the grounds will be met when going to court – and made them mandatory where it is reasonable to award possession. This means judges must grant possession if the landlord can prove that the ground has been met.

We will take a proportionate approach to the period of notice that a landlord must give when seeking possession. Tenants must be given sufficient time to find appropriate alternative housing when their landlord requires possession of a property. Equally, in some circumstances tenancies must end quickly, such as where a landlord faces undue burdens or there is a serious risk to community safety. We will require two months' notice in circumstances beyond a tenant's control, such as the landlord selling, with less notice required for rent arrears and serious tenant fault.

Further details on the new tenancy system, including how we will ensure effective enforcement of the new tenancy system and reforms to the grounds for possession, can be found in our [response to the 2019 consultation on abolishing Section 21](#), which has been published alongside this White Paper on GOV.UK.⁵¹

⁵¹ <https://www.gov.uk/government/consultations/a-new-deal-for-renting-resetting-the-balance-of-rights-and-responsibilities-between-landlords-and-tenants>



Chapter 4:

Improved Dispute Resolution

We believe:

- All tenants should be empowered to challenge poor practice by their landlord, including unjustified rent increases.
- Landlords and tenants should be supported by a system that enables effective resolution of issues.

We have:

- Required letting and managing agents to belong to a government-approved redress scheme (The Property Ombudsman or The Property Redress Scheme) since 2014.
- Introduced Tenancy Deposit Protection Schemes in 2007 to resolve end-of-tenancy deposit disputes.
- Run a nine-month Rental Mediation Pilot scheme last year, which offered landlords and renters access to free, independent mediation as part of the court process for possession.

We will:

- 5. Only allow increases to rent once per year, end the use of rent review clauses, and improve tenants' ability to challenge excessive rent increases through the First Tier Tribunal.**
- 6. Strengthen tenants' ability to hold landlords to account and introduce a new single Ombudsman that all private landlords must join.**
- 7. Work with the Ministry of Justice and Her Majesty's Courts and Tribunal Service (HMCTS) to target the areas where there are unacceptable delays in court proceedings.**

With tenants empowered by the removal of ‘no fault’ Section 21 evictions, we expect dispute resolution to be more attractive, fostering certainty and security for both landlord and tenant. Many tenants and landlords work effectively together to resolve issues. However, where this is not possible, there are limited options for resolving disputes. This means simple disputes can escalate unnecessarily, often ending up in expensive, protracted, and adversarial court proceedings that harm both the landlord and the tenant.

Redress is the norm in other consumer sectors, such as finance, legal, energy, and the communications industry, but the PRS is falling behind other housing tenures. The Housing Ombudsman provides mandatory redress for all social tenants on the full range of issues concerning their tenancies. Redress schemes also exist in leasehold for managing and estate agents, and provision for the New Homes Ombudsman scheme is included in the Building Safety Act 2022. Private landlords can voluntarily join an agent redress scheme or the Housing Ombudsman but, at the time of publishing, this covers approximately 80 to 90 private landlords out of an estimated 2.3million.⁵²

Private tenants can access redress where they have a complaint about their letting agent or managing agent. However, issues that are the responsibility of the landlord (such as conduct, repairs and conditions) are typically outside the remit of these schemes. We are committed to building on this work by mainstreaming early, effective, and efficient dispute resolution throughout the PRS.



**It takes such a long time for repair works to be done,
I sometimes don't bother asking my landlord.**

Tenant, London, 25-34



The vast majority of tenancy disputes do not end up in court,⁵³ but we accept that there are insufficient incentives or support for landlords to resolve disputes earlier. Where court action is necessary it should be transparent, fair, and efficient. We know that many landlords are frustrated by long delays in the courts and that court and tribunal processes can be challenging and intimidating for tenants to navigate.

⁵² This data is an estimate based on data directly provided to DLUHC by the Property Ombudsman and the Property Redress Scheme, as well Housing Ombudsman Annual Report and Accounts 2020/21: https://www.housing-ombudsman.org.uk/wp-content/uploads/2021/11/E02674708-Housing-Ombudsman-ARA-2020-21_HC-816_Accessible.pdf

⁵³ In 2019 there were around 43,000 possession claims made by landlords in the PRS using the accelerated procedure and the standard process for private landlord claims. Of the claims made, roughly 70 per cent progressed to a possession order being made and just 20 per cent progressed to a bailiff enforced eviction

4.1 Challenging unjustified rent increases

We understand the pressures people are facing with the cost of living, and that paying rent is likely to be a tenant's biggest monthly expense. Almost 11,000 households in the Private Rented Sector reported moving recently because their landlord put up the rent.⁵⁴ Any unexpected changes to rent levels could leave tenants unable to afford their home and can impact a tenant's ability to save for a home of their own. Finding new tenants is a significant cost for landlords too, and we strongly encourage early communication about what adjustments to rent are possible and sustainable for both landlords and tenants.

This Government does not support the introduction of rent controls to set the level of rent at the outset of a tenancy. Historical evidence suggests that this would discourage investment in the sector and would lead to declining property standards as a result, which would not help landlords or tenants.

When a landlord needs to adjust rent, changes should be predictable and allow time for a tenant to consider their options. We will only **allow increases to rent once per year** (replicating existing mechanisms) and will increase the minimum notice landlords must provide of any change in rent to two months. **We will end the use of rent review clauses**, preventing tenants being locked into automatic rent increases that are vague or may not reflect changes in the market price. Any attempts to evict tenants through unjustifiable rent increases are unacceptable. Most landlords do not increase rents by an unreasonable amount but in cases where increases are disproportionate, we will make sure that tenants have the confidence to challenge unjustified rent increases through the First-tier Tribunal. **We will prevent the Tribunal increasing rent beyond the amount landlords initially asked for when they proposed a rent increase.**

Landlords charging multiple months' rent in advance of a tenancy starting is currently uncommon, as for most tenants this will be unaffordable. Typically, landlords may choose to do so where tenants do not have guarantors, are moving to the UK from abroad, or cannot provide references. We will require landlords to repay any upfront rent if a tenancy ends earlier than the period that tenants have paid for. We will also introduce a power through the Renters Reform Bill to limit the amount of rent that landlords can ask for in advance. We will use this power if the practice of charging rent in advance becomes widespread or disproportionate.

Abolishing Section 21 will empower tenants to seek Rent Repayment Orders where appropriate. We understand that in exceptional circumstances tenants can be timed out in making an application for a Rent Repayment Order, and that in rent-to-rent cases it is not easy to know which landlord should be pursued and superior landlords can be let off the hook. We plan to bolster the existing system where appropriate and **expand Rent Repayment Orders to cover repayment for non-decent homes**. Periodic tenancies will also enable tenants to leave easily without remaining liable for the rent in unsuitable and unsafe accommodation.

Additionally, the government has introduced the Debt Respite Scheme (Breathing Space) to give eligible people in problem debt access to a 60-day period in which most interest, fees and charges are frozen. Enforcement action, including repossession due to rent arrears, are paused whilst they receive advice. Breathing spaces give debtors the time and space to fully engage with professional debt advisers to identify a positive and sustainable solution to their problem debt. This also means that they are less likely to sink into a cycle of debt, with their creditors more likely to receive higher repayments and spend less on recovery costs.

⁵⁴ English Housing Survey 2019 to 2020.

Case study: rent increases

Sue has been a landlord for 22 years and is based in Hastings. She owns eight properties on the south coast and mostly lets to families with children. In March 2020, at the start of the Covid-19 lock-down, a family of five who were renting one of her three-bedroom properties were especially badly hit by the pandemic restrictions. Unfortunately, both parents were furloughed and significantly affected financially. As a direct consequence of the pandemic, their household income was reduced overnight, making it very difficult to support a family with three children. Working with her tenants, Sue agreed to defer payment of her mortgage for three months in order allow her to be flexible about rent payments in the short-term and to relieve some of the family's financial pressures. Fortunately, both parents were able to resume work after four months of furlough and Sue agreed a repayment plan, allowing the family to paydown their rent arrears in £50 instalments. Happily, the same family continue to make their home in her three-bedroom property, and have since agreed a two-year rent freeze to provide some stability as they recover financially.

Commenting on the relationship she has with her tenants, Sue said: "The pandemic affected so many families, and the last thing I wanted to do was put pressure on them to pay their rent. I've agreed a two year no rent increase, due to the fact that the cost of living has significantly increased, and to make sure the family are financially comfortable. They're great tenants and I want them to be happy". Sue, 50, *South East*

4.2 A new Ombudsman covering all private landlords

The government is committed to making sure that PRS tenants have the same access to redress as those living in other types of housing.⁵⁵ That is why **we will introduce a single government-approved Ombudsman covering all private landlords who rent out property in England**, regardless of whether they use an agent. This will ensure that all tenants have access to redress services in any given situation, and that landlords remain accountable for their own conduct and legal responsibilities. Making membership of an Ombudsman scheme mandatory for landlords who use managing agents will mitigate the situation where a good agent is trying to remedy a complaint but is reliant on a landlord who is refusing to engage.

Ombudsmen protect consumer rights. They provide fair, impartial, and binding resolutions for many issues without resorting to court. This will be quicker, cheaper, less adversarial, and more proportionate than the court system. A single scheme will mean a streamlined service for tenants and landlords, avoiding the confusion and perverse incentives resulting from competitive schemes. As well as resolving individual disputes, an Ombudsman can tackle the root cause of problems, address systemic issues, provide feedback and education to members and consumers, and offer support for vulnerable consumers. We will explore streamlining the requirement for landlords to provide details to both an Ombudsman and a digital Property Portal, including identifying a viable way to link datasets (detail on the Property Portal is in chapter 5).

55 MHCLG, 2019, <https://www.gov.uk/government/consultations/strengthening-consumer-redress-in-housing>



It is vital to have a positive relationship with your tenants based on open and frequent communication. This makes tenants feel comfortable reporting any issues to you. Likewise, as a landlord you understand your tenants and know that your property will be respected and looked after.

Landlord, South East, 35-44



The new Ombudsman will allow tenants to seek redress for free, where they have a complaint about their tenancy. This could include complaints about the behaviour of the landlord, the standards of the property or where repairs have not been completed within a reasonable timeframe. We will make membership of the Ombudsman mandatory and local councils will be able to take enforcement action against landlords that fail to join the Ombudsman.

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. As part of providing compensation, we also intend for the Ombudsman to be able to require landlords to reimburse rent to tenants where the service or standard of property they provide falls short of the mark. In keeping with standard practice, the Ombudsman's decision will be binding on landlords, should the complainant accept the final determination. Failure to comply with a decision may result in repeat or serious offenders being liable for a Banning Order. The government will also retain discretionary powers to enable the Ombudsman's decisions to be enforced through the Courts if levels of compliance become a concern.



I have had issues with my landlords in the past, but I don't know who to complain to or how. If there was a process available, I would consider using it. I think this would also help to raise standards and make tenants feel more empowered. Tenants are essentially paying landlords for a service, so it is important that landlords adhere to the correct standards.

Tenant, South East, 25-34



We will explore extending mandatory membership of a redress scheme to residential park home operators, private providers of purpose-built student accommodation and property guardian companies. This would provide access to redress for residents across approximately 2,000 park homes sites in England, 30% of university students living in purpose-built student accommodation,⁵⁶ and approximately 5,000 to 7,000 property guardians.⁵⁷

⁵⁶ Wendy Wilson, Mobile (Park) Homes, June 2019, <https://researchbriefings.files.parliament.uk/documents/SN01080/SN01080.pdf>

⁵⁷ Property guardians guidance, April 2022, <https://www.gov.uk/government/publications/property-guardians-fact-sheet/property-guardians-a-fact-sheet-for-current-and-potential-property-guardians>

4.3 A more efficient court process

Better access to redress at an earlier stage through the new Ombudsman will free up time for the courts to deal with the most serious cases, and we expect those cases to progress through the courts more quickly as a result. However, we are mindful that any changes to court processes must still allow sufficient time to access legal advice where necessary.

In our 2018 Call for Evidence to consider the case for a Housing Court, the two main areas of dissatisfaction private landlords raised were timeliness and the complexity of the County Court system. More than 90% of landlords who responded said that they had experienced delays when taking court action for possession. 95% indicated that the period between obtaining an order for possession and enforcement by county court bailiffs (who are HMCTS employees) took too long. While almost 80% of landlords indicated that they knew how the possession action process worked, the complexity of the process was their second biggest concern and more than 40% stated that they found the stage of the process between application and hearing to be too complex.⁵⁸

The costs of introducing a new housing court would outweigh the benefits and there are more effective ways to increase the efficiency and timeliness of the court possession action process.

Working in partnership with the Ministry of Justice (MOJ) and HM Courts and Tribunals Service (HMCTS), we will introduce a package of wide-ranging court reforms that will target the areas that particularly frustrate and hold up possession proceedings. These are county court bailiff capacity, paper-based processes, a lack of adequate advice about court and tribunal processes, and a lack of prioritisation of cases.



58 2018 call for evidence on the Case for a Housing Court: Government response, 2022

HMCTS have already taken steps to review county court bailiff capacity and introduced efficiencies by reducing administrative tasks. HMCTS have also introduced new payment options to increase the ways a Defendant can make payments to county court bailiffs, reducing the need for doorstep visits to enforce payment. This will continue to free up more county court bailiff resources to focus on the enforcement of possession orders.

We will go further to increase the efficiency and ease of the court possession process. **The HMCTS Reform Programme has provided the opportunity to digitise a range of court and tribunal processes**, resulting in better advice and guidance. This will reduce common user errors and enhance the user experience. Reforms to the possession process commenced in April 2022 and the project is expected to conclude in 2023. The reforms will provide the opportunity to review and implement improvements and provide HMCTS with better data to enhance performance and respond to user experience and feedback.

We will work with the courts to consider the prioritisation of certain cases, including exploring the feasibility of particular cases being listed as urgent.⁵⁹ We will consider how to expedite cases involving serious harm, including antisocial behaviour or where grounds are critical to the functioning of sectors such as temporary accommodation.

The Ministry of Justice will also trial a new system in the First-tier Tribunal (property chamber) to streamline how specialist property cases are dealt with where there is split jurisdiction between the civil courts and property tribunal. This would provide a single judicial forum for these types of cases, removing the need of litigants to deal with two judicial forums to determine a single case, reduce costs, and simplify the process in pilot areas. The Ministry of Justice will review the success of these trials and set out next steps in due course.

The Ministry of Justice is **improving the provision of earlier access to legal advice for renters** through the Housing Possession Court Duty Scheme,⁶⁰ to deliver more effective early legal advice for debt, housing, and welfare benefit matters, as announced in the Legal Support Action Plan.⁶¹ The government's response to the consultation was recently published on GOV.UK.⁶²

Support for early engagement between landlord and tenant is key to sustaining tenancies and avoiding costly and time-consuming court possession proceedings for both parties. The Property Redress Scheme and the National Residential Landlord Association are currently running a new mediation pilot for private landlords. Other private providers have also recently entered the market and are providing mediation services for landlords. And last year, the government introduced a nine-month Rental Mediation Pilot scheme which offered landlords and renters access to free, independent mediation as part of the court process for possession.

Building on this, **we will strengthen and embed mediation services for landlords and renters, preventing avoidable evictions**. We will shortly publish the findings from the Rental Mediation Pilot. We will use the findings and the lessons learned to help us to decide how mediation, as one method of dispute resolution, can help to sustain tenancies in the future.

59 Currently, cases must hold a hearing within four to eight weeks of the claim being made by a landlord - Civil Procedure Rules for possession

60 Legal Aid in Housing Possession cases is currently delivered through the Housing Possession Court Duty Scheme. The scheme is administered by the Legal Aid Agency and allows anyone at risk of eviction or having their property repossessed to get free legal advice and representation on the day of their hearing, irrespective of their financial circumstances.

61 <https://www.gov.uk/government/publications/legal-support-action-plan>

62 <https://www.gov.uk/government/consultations/housing-legal-aid-the-way-forward>



Many landlords only own one or two properties; therefore, legal proceedings can have a huge financial impact on them. It is important that issues are resolved amicably and in a timely manner. Going to court is a last resort and should only be done if necessary.

Landlord, East Midlands, 55-64



In 2021, the Ministry of Justice ran a Call for Evidence on dispute resolution in England and Wales. This set out the government's ambition to transform the culture of dispute resolution by significantly increasing the use of alternatives to litigation, such as mediation, across the civil and family courts and tribunals. These alternative dispute resolution processes can deliver substantial benefits for those involved, helping to reduce cost and delay in litigation and provide more flexible and tailored solutions, as well as ensuring that only cases which need a judgment come to court. A summary of responses to the [Call for Evidence on Dispute Resolution in England and Wales](#) has been published on GOV.UK.⁶³

We will be working closely with the Ministry of Justice to ensure that the government's approach to dispute resolution is a holistic one and will continue to explore ways of encouraging landlords and renters to take up mediation, as well as options for pre-action resolution as highlighted in the Civil Justice Council's report on Pre-Action Protocols. We will take into account responses to the Civil Justice Council review, which closed in December 2021.

Further details on steps we are taking to improve the efficiency and effectiveness of court and tribunal services can be found in our response to the 2018 [Call for Evidence on the Case for a Housing Court](#), which has been published alongside this White Paper can be found on GOV.UK.⁶⁴

⁶³ <https://www.gov.uk/government/consultations/dispute-resolution-in-england-and-wales-call-for-evidence>

⁶⁴ <https://www.gov.uk/government/consultations/considering-the-case-for-a-housing-court-call-for-evidence>

A close-up photograph of a 'TO LET' sign. The sign is rectangular and mounted on a corrugated metal post. It features a dark blue background with a lighter blue square in the center. The words 'TO' and 'LET' are printed in white, bold, sans-serif capital letters, stacked vertically. The background is a blurred brick building with white window frames under a blue sky with light clouds.

TO
LET

Chapter 5:

Better Compliance and Robust Enforcement

We believe:

- Landlords and tenants should understand how to comply with their duties and obligations.
- Wilfully non-compliant or criminal landlords have no place in the market.
- Local councils need strong and effective enforcement tools to crack down on poor practice.

We have:

- Introduced civil penalties of up to £30,000, Banning Orders and a database of rogue landlords and agents through the Housing and Planning Act 2016.
- Extended Rent Repayment Orders to cover more offences through the Housing and Planning Act 2016.
- Reformed HMO licensing in 2018 to include all properties occupied by five or more persons in two separate households, regardless of the number of storeys in the building, and introduced mandatory minimum room sizes.
- Funded local councils to boost their enforcement work. This includes awarding £6.7 million over the past five years to over 180 local councils to support innovation and a further £5.4m in 2020-2021 to five local councils to pilot improvements to supported housing.
- Established a lead enforcement authority for letting agents, through the Tenant Fees Act 2019, run by National Trading Standards at Bristol City Council.
- Produced a series of housing 'how to' guides that summarise the rights and responsibilities of both tenants and landlords, with our 'How to rent' guide downloaded and accessed over 100,000 times.⁶⁵

We will:

- 8. Introduce a new Property Portal to make sure that tenants, landlords and local councils have the information they need.**
- 9. Strengthen local councils' enforcement powers and ability to crack down on criminal landlords.**

⁶⁵ This refers to unique website views. This figure will not capture the total number of tenants who may have viewed the guide as a single download which has been shared repeatedly, for example by a letting agent with multiple tenants.

Our reforms to improve quality, security, and dispute resolution will only make a difference if they are understood and effectively enforced. Landlords need support and guidance to fully comply with their new responsibilities. Renters should feel confident to challenge their landlord if they think something isn't right.

While some local authorities prioritise PRS enforcement, variation in enforcement levels across England can leave tenants and landlords frustrated and allow criminal operators to thrive. Councils struggle to crack down on non-compliant landlords due to a lack of robust data and information on the sector. We are determined to support local councils to target those landlords who neglect their properties and exploit their tenants; they should either improve the service they offer or leave the business to free up properties for prospective homeowners or reputable landlords.

5.1 A new Property Portal

A new digital **Property Portal** will provide a single 'front door' to help landlords understand, and demonstrate compliance with, their legal requirements. Too often tenants find out too late that they are renting a substandard property from landlords who wilfully fail to comply, and councils don't know who to track down when serious issues arise. The Property Portal will provide a simple solution to these issues, with landlords legally required to register their property on the portal.

Local councils will be able to take enforcement action against private landlords that fail to join the portal. By removing unnecessary, frustrating administration, and providing a trusted and consistent intelligence source, council staff will be able to focus on enforcement against criminal landlords.



There is a difference between what a local council would describe their strategy as, and the approach they have to take because of the information at their disposal.

Local council representative



Our digital development will explore how to integrate compliance and legal requirements into the portal to maximise these benefits. The portal will support good landlords to demonstrate regulatory compliance and to attract prospective tenants. And tenants have told us that having clear and easily accessible information would help them to make decisions about their tenancies and undertake due diligence before they sign a new rental contract.⁶⁶ The portal will act as a trusted one-stop-shop for guidance on renting in the PRS – levelling up awareness of tenants' and landlords' rights and responsibilities across the country.

⁶⁶ User Research with tenants (Public Survey with 6,217 responses) illustrated support for seeing greater information about their private landlord. 77% of responses indicated that they would want to access information about their potential landlord and property prior to renting



“

It would be useful for me to check off the things I am compliant in – check I haven't overlooked anything.

Landlord, South East, 35-44

”

We will conduct extensive testing of potential solutions for the portal, underpinned by user research and engagement with representative groups, to make sure the system works for tenants, landlords and local councils. In addition, we will explore the benefits of creating a lead operating authority to run the future portal and help local councils use the portal effectively.

“

[The Property Portal] could help other landlords to get up to speed, where they are new landlords or less hands on.

Landlord, East Midlands, 35-44

”

We will ‘future proof’ the portal so it can flex to support future policy developments, supporting efforts to raise standards in the sector and reduce the number of non-decent rented homes by 50% by 2030. For example, it could support a system where landlords and agents must meet minimum standards before properties can be let. Requiring landlords to take a proactive approach to property management would benefit those good landlords who already meet basic requirements, while simplifying enforcement for local councils and hitting criminal landlords hard.

We are committed to carefully balancing landlords’ privacy concerns with the need of private tenants to make informed decisions about their housing options when designing a new system. Tenants will be able to access necessary information in relation to their landlord’s identity and compliance with key legislative requirements, but we do not envisage that all data will be publicly accessible.

Alongside the portal, **we know that clear communication and guidance is essential to ensure tenants and landlords understand their rights and responsibilities.**



There is lots of information that landlords need to adhere to. This can be overwhelming for first time, smaller landlords. This needs to be communicated concisely to ensure clarity across the sector.

Landlord, London, 35-44



We currently produce a series of housing ‘how to’ guides that summarise the rights and responsibilities of both tenants and landlords in relation to their tenancy and their property. Landlords must issue an up-to-date version of the ‘How to rent’ guide to their tenants at the outset of a tenancy, and, in 2021, this guide was downloaded and accessed over 100,000 times.⁶⁷ Between 2018 and 2021 the proportion of landlords that say they provided their tenant with a copy of the guide increased from 52% to 64%.⁶⁸ We also produce guidance that helps landlords and tenants to understand their rights and responsibilities where a landlord is seeking repossession of their property.⁶⁹



When I first started renting, I was unsure about my landlord’s responsibilities. This led to me not reporting issues that my landlord was legally obliged to fix.

Tenant, London, 25-34



In the future, **we will also require landlords to provide a written tenancy agreement** setting out basic information about the tenancy and both parties’ responsibilities, while retaining their right to agree and adapt terms to meet their needs. Written contracts will help to avoid and resolve disputes, and provide evidence if disputes go to court.

We are committed to using a range of strategies and channels, including those of our partners, to make sure messages reach the right groups, including the digitally excluded and other marginalised groups. This will include, for example, working with the Department for Work and Pensions (DWP) to use existing touch points for tenants in receipt of benefits to share guidance on renting. Organisations like Citizens Advice, the National Residential Landlords Association, and Shelter also provide landlords and renters with invaluable advice and support on renting in the PRS.

67 This refers to unique website views. This figure will not capture the total number of tenants who may have viewed the guide as a single download which has been shared repeatedly, for example by a letting agent with multiple tenants.

68 English Private Landlord survey 2021

69 <https://www.gov.uk/government/publications/understanding-the-possession-action-process-guidance-for-landlords-and-tenants>

We understand the importance of communicating our reforms in advance of their introduction, particularly to landlords, to allow time to understand any new requirements and comply accordingly. It is also vital that our communications increase awareness and usage of earlier legislative changes such as the Homes (Fitness for Human Habitation) Act 2018. Our proactive communications campaign will support landlords and letting agents to meet the updated requirements for private rented homes, and support tenants to fully assert their rights.

We also remain committed to **raising professionalism and standards among letting agents and property agents** more widely, protecting consumers while defending the reputation of good agents. Good agents play an important role in supporting landlords and tenants to understand and comply with their responsibilities. We therefore welcome the industry's ongoing work to raise professionalism and standards across the sector, including steps to develop codes of practice. Alongside the Database of Rogue Landlords and Property Agents, and stronger enforcement tools for local councils, this is an important development towards making sure all consumers are treated fairly and all agents work to the same high standards. We will continue to work with the industry to expand best practice.

5.2 Stronger enforcement powers for local councils

The Property Portal will dramatically increase local councils' ability to enforce against criminal landlords. Over time, we plan to bolster this even further by incorporating some of the functionality of the existing **Database of Rogue Landlords and Property Agents** ('the Database').



There is a small minority of rogue landlords who taint all landlords. Having a way of regulating landlords would provide tenants with confidence. I think this will also help local councils with their enforcement procedures, keeping standards in the PRS high.

Landlord, South East, 45-54



Local councils currently can choose to make a Banning Order against landlords or agents who have been convicted of serious offences.⁷⁰ Banning Orders prevent rogue landlords or agents from renting out or managing properties for a period of time. At present, local councils are only required to make a record on the Database if they make a Banning Order. If a landlord commits an offence that qualifies for a Banning Order, but a Banning Order is not served, then the local council has discretion over whether to include it on the Database. Local councils also have discretion to record Civil Penalty Notices where an individual has received two or more within 12 months.

All offences within scope for entry in the Database are, by their nature, serious. We will make sure tenants are able to identify if their prospective landlord or agent has committed an offence by **mandating entry of all eligible offences on the Database and making offence data publicly viewable** subject to consultation with the Information Commissioner's Office. Mandating entries reduces the likelihood of local councils not administering offence data. This will create a level playing field for landlords and allow law-abiding landlords to be distinguishable from criminals.

We will also **seek to lower the current threshold for civil penalty entry to cover all civil penalties**. This would allow local councils to share more data with each other, encouraging informed and collaborative enforcement activity. At present, Civil Penalty Notices can only be entered onto the Database when two or more are served to an individual within a 12-month period. Lowering the threshold for inclusion and making offence data public would support tenant choice, helping them to seek out responsible landlords.⁷¹ We have previously consulted on expanding the types of offences recorded on the Database and we are exploring options for broadening the criteria for entry. This will need to be carefully balanced with data protection considerations to make sure that data processing is necessary and proportionate with the intended aims of the policy.

⁷⁰ A full list of Banning Order offences can be found here: <https://www.gov.uk/government/publications/banning-orders-for-landlords-and-property-agents-under-the-housing-and-planning-act-2016>

⁷¹ As part of the property portal discovery work, tenant groups indicated they would like to see the threshold lowered. The 2019 consultation on reform to the Rogue Landlord and Agent Database also supported widening the criteria with 58% of respondents in favour.

We will take further steps to help local councils pursue the worst offenders by stripping away red tape, including exploring ways to increase local councils' investigative powers to target illegal business activity by enabling them to require financial information. We will explore strengthening the fine regime for serious offences and high criminality, such as the most serious 'Category 1' hazards, including 'minimum fines'. We will seek to introduce a national framework for setting fines, based on clear culpability and harm considerations, which will ensure a more consistent approach to fine setting and reduce the incidence of arbitrary reductions of fines made by tribunals. We will also explore bolstering local council enforcement to tackle a wider range of standards breaches.

These tools build on local councils' existing ability to tackle local housing issues including poor housing quality, low housing demand, and antisocial behaviour through Selective Licensing schemes. Selective Licensing enables a local council to require all landlords of privately rented housing in a designated area to obtain a license for each individual property. It gives the local housing authority powers to inspect properties and enforce landlords to address specific property issues.

Case study: driving up property conditions through Selective Licensing in Nottingham

Nottingham City Council's ambitious Selective Licensing scheme began on 1 August 2018 and is aimed at tackling poor property conditions, high levels of antisocial behaviour, crime, and deprivation. To date, the Council's team of 75 officers has received over 29,000 applications. The provision of advice to licence holders and compliance inspections led to approximately 25% of properties being improved. Despite the pandemic restrictions, compliance work continued with an increased focus on external inspections.

One of the aims of licensing is to tackle antisocial behaviour by requiring landlords to have a plan in place to deal with these issues at their property. To date, the Council has worked with landlords on 594 antisocial behaviour referrals. The Council has also had good success in finding unlicensed properties and taking enforcement action against owners who don't comply. They have issued 47 Civil Penalty Notices for Selective Licensing breaches and 13 landlords have been prosecuted for 49 offences at 30 properties, 27 of these relate to Selective Licensing. This has helped the team to secure 1,305 licence applications from previously unlicensed properties. The scheme also led to a reduction in the proportion of privately rented homes with EPC energy rating below 'D' from 25.9% to 15.6%.

To support landlords, the Council also offers a lower Selective Licence fee for accredited landlords through partners Decent and Safe Homes (DASH) and Unipol. This has seen the number of accredited landlords rise from 650 to 1,715 (January 2022). Approximately a third of all individually licensed properties are now accredited, with these landlords letting over 8,300 properties (January 2022), up from 3,917 in 2018.

With barriers removed, we expect local councils to prioritise Private Rented Sector enforcement in the same way as public health, to which housing is a key contributor. Research by the Centre for Regional Economic and Social Research,⁷² carried out on behalf of DLUHC and published alongside this paper, found significant variation between local councils. Some were using the full range of tools and legal powers at their disposal while others emphasised ‘informal’ activity or negotiation with landlords.



There needs to be a more consistent approach with local councils. I have rented in different locations, and I have noticed that councils approach issues in different ways. Some were more proactive than others.

Tenant, North West, 35-44



This postcode lottery should not exist; renters and landlords should be assured wherever they live that poor practice will be tackled. We want all local councils to prioritise addressing low standards in the Private Rented Sector. We will **bolster national oversight of local councils’ enforcement**, including by exploring requirements for councils to report on their housing enforcement activity. **We want to recognise those local councils that are doing a good job and encourage them to share best practice.**



72 <https://www.gov.uk/government/publications/local-authority-enforcement-in-the-private-rented-sector-headline-report>



Chapter 6:

A Positive Renting Experience

We believe:

- All tenants should be able to treat their house as their home.
- Tenants seeking a home in the PRS should not be turned away unreasonably.
- Tenants should not face financial barriers that prevent them moving when they wish to.

We have:

- Mandated Tenancy Deposit Protection since 2007, requiring landlords and agents to keep tenancy deposits within appointed schemes.
- Worked with the lettings industry and major lenders to remove restrictions on mortgages preventing landlords from letting to tenants on benefits.
- Placed a cap on deposits and prevented landlords and agents from charging undue or excess fees when letting a property to a tenant (Tenant Fees Act 2019).
- Mandated Client Money Protection (CMP) for all letting agents handling client money in England since 2019. This compensates a tenant or landlord if all or part of their money is not repaid by their agent, for example due to insolvency.
- Revised the Model Tenancy Agreement, making it easier for tenants with pets to find private landlords who will accept them.

We will:

- 10. Make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits (so called 'No DSS' bans).**
- 11. Give tenants the right to request that they can have a pet in their property, which the landlord must consider and cannot unreasonably refuse.**
- 12. Work with industry experts to monitor the development of innovative market-led solutions to passport deposits.**

Everyone living in the PRS has the right to a quality property that feels like their home and meets their needs. There are barriers to moving in the PRS, especially for those on low incomes, that make it harder for tenants to assert their rights.

‘No DSS’ practices can leave low-income tenants with limited options when they need to find a new home. These practices have no place in a fair and modern housing market. Challenges in pulling together a second deposit – before the return of the deposit for a current property – can also prevent tenants from moving. Once tenants are in a property, it can be difficult to personalise the space or keep pets. Overcoming these barriers is vital to making the tenant’s house a home, while also reducing the financial barriers to homeownership.

6.1 A ban on ‘No DSS’ practices

Everyone should have access to safe and secure housing, regardless of whether they are in receipt of benefits or their family circumstances. While most landlords provide a professional service to their tenants, there is evidence that some landlords and agents are actively discouraging, or even preventing people in receipt of benefits or with children from renting their properties. The English Private Landlord Survey 2021 found that 44% of landlords were unwilling to let to tenants on either housing support or Universal Credit.⁷³ This can severely restrict the ability of a person on a low income to live in a decent home. Some landlords will refuse to allow benefit claimants to view an affordable property or to consider them as a potential tenant, or they will advertise properties with restrictions like ‘No DSS’, ‘No Benefits’, or ‘Working Professionals Only.’ A quarter (26%) of PRS households and families receive some form of Housing Benefit and are at risk from these kinds of restrictive practices.⁷⁴



Being in receipt of benefits is a hurdle when trying to find a rented property. It is hard to find within my price range and landlords/agents tend to favour those in work.

Tenant, South East, 45-54



73 English Private Landlord Survey 2021

74 English Housing Survey 2020 to 2021.

Case Study: Section 21 eviction and ‘No DSS’ bans

Emma lives with her seven-year-old son and has health problems that mean she had to give up her job in 2015. Emma paid her rent in full and on time every month, and received housing benefit to cover part of her rent. Emma unexpectedly received a Section 21 eviction notice in 2017. Emma explained that her financial situation made it difficult for her to move, but the landlord continued with the eviction. Emma began contacting letting agencies and private landlords, but none were open to letting to someone who was unemployed and in receipt of housing benefit. Emma was very worried that she and her son would be made homeless, but at the last minute she was offered a spare room by a friend’s mother. Although she was grateful to have this room, Emma had to move far from her previous home and felt guilty that she was not able to provide stability for her son. Both Emma and her son lost friends due to what she believes is a stigma around ‘being evicted’. Emma also felt frustrated and sad that despite being a good tenant who always paid rent on time, she was discriminated against for receiving housing benefits. Emma found being evicted traumatising and damaging to both her mental and physical health. Emma now lives in a council flat; she would prefer to move back into privately rented accommodation. However, her fears of ‘no fault’ eviction and the discrimination she faces being in receipt of welfare hold her back. Emma, South East, 45-54

It is wholly unacceptable for landlords to refuse to consider someone as a prospective tenant, simply because they are on benefits or have young children. **We will make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits.** We will also explore if action is needed for other vulnerable groups that may struggle to access PRS accommodation such as prison leavers.

We will also support landlords to take informed decisions on individual circumstances rather than relying on blanket bans. We will work with the insurance industry to address landlord and agent misconceptions that it is difficult to arrange insurance for properties where tenants are in receipt of benefits.⁷⁵ We will also explore improvements to welfare support information for both tenants and landlords and help ensure that those who are unable to manage their rent payments can arrange direct payments of housing costs to their landlord through their Universal Credit (Managed Payments). So that tenants can access the support they need and can secure accommodation in the Private Rented Sector, we will boost awareness of the range of local services available to help people who are living on a low wage or are receiving benefits.

⁷⁵ 91% of insurance brokers said they could arrange contents insurance and 100% could arrange buildings insurance for landlords renting to tenants in receipt of benefits. 60% of insurance brokers did not consider a tenant with a benefit top-up to be a higher risk, and only 58% confirmed they would be able to arrange rent guarantee insurance for a landlord without a ‘No DSS’ policy. Survey of members, British Insurance Brokers Association, 2019

6.2 Renting with pets

Domestic pets can bring joy, happiness, and comfort to their owners, as well as supporting their mental and physical wellbeing including through challenging times. The English Private Landlord Survey 2021 found that 45% of landlords were unwilling to let to tenants with pets.⁷⁶



As a tenant, I am a consumer in the PRS. Landlords should be encouraged to use the model tenancy agreement which has a clause for respectable pet owners. This will provide tenants who are also pet owners with more choice.

Tenant, South West, 25-34



We will legislate to ensure landlords do not unreasonably withhold consent when a tenant requests to have a pet in their home, with the tenant able to challenge a decision. Alongside this, we will make it easier for landlords to accept pets by amending the Tenant Fees Act 2019 to include pet insurance as a permitted payment. This means landlords will be able to require pet insurance, so that any damage to their property is covered. We will continue to work with landlords and other groups to encourage a common-sense approach. Pets can bring a huge amount of joy and we are committed to supporting responsible pet ownership in the PRS. Alongside greater security and quality, these measures will help tenants truly feel like their house is their home.

We also encourage landlords to allow reasonable requests by tenants to redecorate, hang pictures or change appliances - provided they return the property to its original state when they leave.



⁷⁶ English Private Landlord Survey 2021

6.3 Passporting deposits

Coming up with a new deposit before the deposit for a tenant's current home has been returned can be a challenging barrier to moving within the PRS. This limits tenants' options and means that some tenants stay put in sub-standard accommodation because they can't afford the upfront cost to move elsewhere.⁷⁷ The lack of financial security can also push home ownership further from renters. Private renters incur moving costs more frequently than social renters and homeowners, and spend more of their income on housing.⁷⁸ Collectively, this affects their ability to save for a deposit on their own home.

Nearly half of households in the PRS have no access to savings and may therefore struggle to fund a second deposit.⁷⁹ To cover the cost, some tenants might borrow money from, or move in with, family and friends, or take on extra work. Others may take out short-term credit, access a deposit scheme from a local council, or decide not to move to the new property altogether.



I've been renting in the private sector for seven years.

The main barrier for me is the substantial upfront cost of tenancy deposits when moving between properties. This is because of delays in receiving my original deposit to use for my future property. In the past, I have had to borrow money from family or use credit cards to cover the tenancy deposit costs.

Tenant, South West, 25-34



Most deposits are returned, in part or full, within one to three weeks. This can take longer where the deposit is disputed, either through alternative dispute resolution or in the courts.⁸⁰ Some tenant groups experience a longer time where two deposits may be needed: students, for example, often put a deposit down months before moving into a new property.

A call for evidence was issued in 2019 to widen government understanding of the barriers private tenants experience when moving from one property to another. We have since considered several proposals to reduce the financial burden on tenants while making sure landlords continue to have the security of a deposit. Following our call for evidence, the market has begun to develop innovative solutions to affordability issues. This includes, for example, loan and insurance products for tenants to bridge the period where deposit requirements overlap. Private solutions have the potential to offer innovative and flexible solutions for different groups. We recognise these market innovations are in their infancy, but do not wish to curtail the progress that has been made.

77 Tenancy Deposit Scheme Statistical Briefing, 2020 to 2021

78 English Housing Survey 2020 to 2021

79 45% of PRS households have no savings, English Housing Survey, 2020 to 2021

80 This data is an estimate based on custodial scheme data directly provided to DLUHC by the three government approved Tenancy Deposit Protection Providers.

Therefore, we plan to:

- i. Monitor market-led solutions** that aim to reduce the problems experienced during the overlap between tenancies with our expert industry-based working groups, such as the Tenancy Deposit Protection Working Group.
- ii.** Keep the impact and risks of market-led solutions under review, including their affordability and accessibility, with the Tenancy Deposit Protection Working Group
- iii.** Keep the current deposit protection and the broader deposit market under review and take further action, including legislation, if needed.

By reducing the barriers to moving, we will give tenants more options if standards are not up to scratch or they find a better deal. A full response to the [call for evidence](#) is available on GOV.UK.⁸¹



81 <https://www.gov.uk/government/consultations/tenancy-deposit-reform-a-call-for-evidence#:~:text=Consultation%20description,the%20end%20of%20the%20tenancy>

Conclusion

All tenants deserve a safe, secure, good value and decent home wherever they live. Good landlords and agents need support to manage their businesses effectively. And local councils should be able to effectively hold the worst landlords to account.

Our proposals will improve life for millions of tenants across England and level up housing quality. Together, our reforms will create a rental market that is fairer and more effective for tenants and landlords.

The changes outlined in this White Paper will provide 4.4 million households with more secure, higher quality homes and give councils the tools they need to crack down on the minority of non-compliant landlords. We will make it easier for landlords to repossess their homes in reasonable circumstances, including in cases of antisocial behaviour. Responsible landlords will be able to get on with the job, safe in the knowledge that their businesses and reputations will no longer be undermined by criminals.

The Renters' Reform Bill is the first, important step to levelling up the Private Rented Sector and rebalancing the relationship between tenants and landlords. It will provide the legislative basis to deliver on the comprehensive reforms outlined in this White Paper.

We have been heartened by the engagement we have had with organisations across the sector. We will continue to work closely with stakeholders to deliver these landmark reforms, building a sector that meets the needs of all who live and work in the PRS.

We will listen closely to tenants and landlords, using forums established by stakeholders, so we are better able to understand how our reforms are impacting those who use the PRS on a daily basis. We will also establish a local council sounding board to understand front line challenges, inform implementation, and share best practice.

Our reforms will create a Private Rented Sector that is fit for the 21st century, with equal access to decent rented properties across the country and the security for tenants to make their house a home.



Annexes

Annex A: Operation and Regulation of the Private Rented Sector

The Department for Levelling Up, Housing and Communities (DLUHC) sets the overall policy for the PRS and oversees the regulatory framework. Local councils are responsible for regulating the PRS in their area and enforcing landlords' legal obligations. Local councils choose how they regulate based on local priorities and have a range of investigative and enforcement tools available. They have flexibility in how they discharge this duty and should have an enforcement strategy in place which sets out their approach.

Changes to the laws that govern the Private Rented Sector (PRS) over the past four decades reflect the greater role it plays in the housing system. The legislative framework seeks to balance protections for tenants and housing quality with maintaining landlord investment and effective market operation.

There are three main areas where the government intervenes to regulate the relationship between landlords and tenants in the PRS.

- **Tenancy law.** The contractual agreement between landlord and tenant. The conditions that must be met for any tenancy to be created are specified in the Housing Act 1988 and include a tenant's right to live undisturbed in a property for an agreed period of time and for an agreed amount of rent. The landlord has the right to set rent and the power to evict.
- **Financial Protections.** The financial relationship between landlord, tenant and letting agent, excluding the setting of rents, which is broadly left to the market. This is enforced through tenancy deposit protection, Client Money Protection, redress schemes, and local council action.
- **Standards.** The duties of landlord and tenant regarding the safety and quality of the property. This is enforced through a range of local council actions and powers, and the Courts.

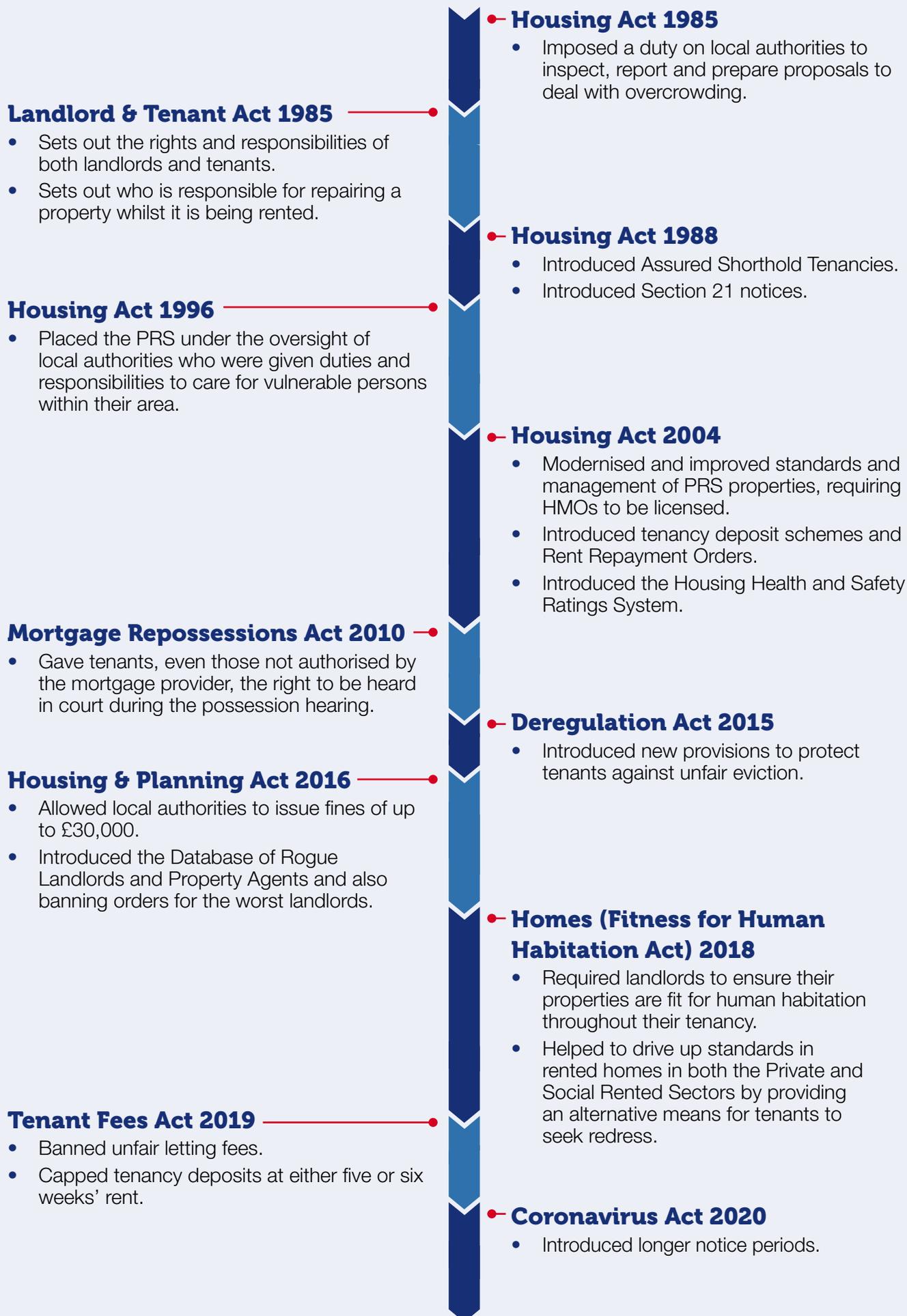


Figure 5: Key legislation affecting the Private Rented Sector in England, since 1985

The Department currently uses data from a variety of sources to inform policy decisions and regulatory oversight. This includes Department-commissioned research, such as the English Housing Survey and English Private Landlord Survey as well as research into specific policy areas, such as how local councils are using their enforcement powers. The Department also regularly engages with other government departments, local councils, and industry stakeholders to enhance the Department's insights into the sector.

The Department will further develop its approach to data to support its Private Rented Sector reform programme and will continue to work closely with local councils and other stakeholders to support this. This includes considering what further data is needed to fully understand the impact of future reforms and outcomes for tenants and landlords. We remain mindful of the need to balance reporting demands placed on local councils with a need for robust oversight of the sector.

The Department is committed to monitoring the reform programme and is currently considering this as part of our wider work on data.

Annex B: Overview of engagement

Organisations and people with an interest in the Private Rented Sector are many and diverse. Talking to those affected by our proposed reforms has been an important part of our policy work and has shaped our thinking across a number of areas. Our engagement has taken place at different levels, from testing our understanding of the key challenges facing the sector and priorities for reform through to detailed policy work on the effect of specific amendments to legislation. The ways in which we have sought feedback on our proposals are summarised below:

- **Ministerial roundtables** – An opportunity for the Parliamentary Under Secretary of State (Minister for Rough Sleeping and Housing), Eddie Hughes MP to hear directly from key stakeholders on their views of the reform programme and the challenges ahead.
- **Direct discussions with tenants and landlords** – To understand the views of tenants and landlords on their experience of the sector and their views on how the system could be improved.
- **Discussions with local councils** – To understand the barriers to effective enforcement, local council views on the proposed reforms and the implementation challenges of changing the current regime.
- **Consultations** – Some of the policies contained in this White Paper have been informed by previous policy consultations and the detailed feedback we received. We have worked with sector partners to develop our thinking further, building on these consultations.
- **Individual stakeholder meetings and working groups** – Policy teams have held numerous meetings with stakeholders across the sector both individually and collectively to support policy thinking, test views and mitigate unintended consequences to any changes. This included a digital discovery project, conducted by digital consultancy Zaizi, as part of the exploration of the potential benefits of a property portal. This digital discovery included interviews with local council representatives, landlords and a survey of private tenants.

Roundtable feedback

Roundtable 1 – priorities for the Reform programme

- At our initial roundtable with sector stakeholders, there was general consensus that our analysis of the challenges facing the sector was right, namely the need to improve quality, increase security, address affordability and support tenants and landlords to comply with their rights and responsibilities.
- The abolition of Section 21 ‘no fault’ evictions was identified as a key priority for the reform agenda which would increase security for tenants but would in turn need to be accompanied by strengthened grounds so landlords with legitimate reasons could reclaim their properties.
- Several stakeholders identified a need for better data about the PRS to improve understanding of the market and the effect of any changes in policy.

Roundtable 2 – Tenancy Reform

- The discussion focused on the regime that could replace Section 21 – the structure of tenancies, the use of grounds, and the impact on various sectors.
- Several attendees supported moving to a more open-ended tenancy model but with restrictions on when a landlord could serve notice for an initial period.
- Attendees commented that Section 21 was used in a variety of scenarios and the grounds needed to be able to deal with this range of circumstances effectively.
- It was suggested that the evidential threshold for the use of grounds needed to be set at a level that stopped misuse of grounds but did not disadvantage landlords who may need their properties back for a legitimate reason.

Roundtable 3 - Lifetime Deposits

- There was broad agreement among attendees on the principle behind lifetime deposits, that is, to ease the burden for PRS tenants when they transition between tenancies.
- Many attendees shared the view that there was further thinking to do to deliver a solution that was universal – ensuring it also worked for those renting at the lower end of the market.
- Any solution needed to be simple to administer and changes need to be communicated well in advance of guidance being issued.

Roundtable 4 – Landlord Redress and Dispute Resolution

- The discussion covered the extension of the right of redress to all tenants, the use of mediation and the role of the courts in dispute resolution.
- Attendees said that making redress understandable and accessible to consumers was important, as was effective enforcement to back up any decisions made by a redress scheme.
- There was general support for the principle of mediation, although some questioned whether this was appropriate in possession cases.
- Courts should be a last resort but access to justice was an important principle to maintain in any dispute resolution proceedings.

Roundtable 5 – Standards and Enforcement

- The discussion focused on the role of a PRS portal or register, the barriers to effective enforcement and standards within the sector.
- The majority of attendees were supportive of a PRS portal or register as it would improve data capture and support local councils to enforce more effectively.
- Attendees advocated for higher sector standards and noted that having Category 1 hazards as a minimum standard was a low bar.

Roundtable 6 – Communications, Data and Sequencing of Reforms

- Attendees were asked for their views on how we can improve our understanding of the sector through better use of data, how we should communicate the reforms to tenants and landlords and the order in which the reforms should be introduced.
- Several attendees flagged the need to map available data on the PRS to gain a better understanding of what exists and the gaps. The Property Portal was seen as an important potential source of data.
- Due to the diversity of tenants and landlords, the Department should use multiple strategies and channels to communicate changes. It would be important for landlords to have early notice of the changes to the requirements upon them.
- There was general agreement that a phased introduction of the reforms would be better than a big bang approach although there were differing views on which reform should be introduced first.

Organisations represented at roundtable discussions

British Property Federation
Chartered Institute of Environmental Health
Citizens Advice
Crisis
Decent and Safe Homes (DASH)
Propertymark
Property Ombudsman
Shelter
St. Mungos
Tenancy Deposit Scheme
The Dispute Service
The Lettings Industry Council
The Property Redress Scheme
Professor Christopher Hodges – University of Oxford
Dr Julie Rugg - University of York
West Midlands Combined Authority

National Trading Standards Estate and Letting Agency Team
Nationwide Foundation
National Residential Landlords Association
Deposit Protection Service
Generation Rent
Greater London Authority
Greater Manchester Combined Authority
Housing Ombudsman
Justice
Justice for Tenants
Housing Law Practitioners Association
The Law Society
Local Government Association
MyDeposits
National Housing Federation

B1: Landlord Focus Groups

We held several focus groups with landlords in January 2022. The purpose of these sessions was to capture landlords' views and experiences of letting.

Below is a summary of the key themes discussed:

Landlord/Tenant Relationship

- Most landlords reported having good relationships with their tenants, particularly those who engaged directly with them and did not use agents.
- Most landlords also noted that their tenants tended to rent from them for a prolonged period which allowed them to build and maintain strong and positive relationships.
- Some landlords noted that they had chosen to use agents when they first became a landlord to help with finding tenants and understanding their responsibilities and legal requirements as a landlord.
- A few landlords reported experiences of tenants committing antisocial behaviour with previous tenants.
- The most challenging aspect of maintaining positive relationships with tenants was described as managing expectations around landlord responsibilities, particularly around timescales. This was notable when the issue was not straightforward and involved other parties (such as freeholders) which meant the burden of responsibilities not entirely clear and often shifted.

Issues encountered with tenants and/or the property

- Overall landlords tended to have positive relationships with their tenants although a few mentioned negative experiences.
- Some landlords drew upon the financial implications of negative experiences with tenants.

Power Balance

- Landlords said in theory the relationship between tenants and landlords should be equal, but this is not always the case.
- Some drew upon the role of agents within the power balance equation and noted that some agents have withheld information from them or have sided with the tenants to assure their income streams.
- The power balance is equal when both tenants and landlords adhere to their rights and responsibilities.
- For landlords who only manage one property, it only takes one or two 'bad tenants' to create financial difficulties for the landlord as all the costs are placed on them. This is because the landlord is responsible for the court costs to serve eviction notices. The cost of any repairs to properties that have been destroyed or vandalised falls onto the landlord also.

B2: Tenant Focus Groups

As part of our ongoing engagement, we held several focus group sessions between October 2021– January 2022 from tenants renting in the Private Rented Sector across the country. The purpose of the focus groups was to capture the tenants’ thoughts and experiences in the Private Rented Sector via a qualitative method.

Below is a summary of topics discussed:

Tenant/Landlord Relationship

- The respondents provided examples of both positive and negative renting experiences they have had with either current or previous landlords. Open and frequent communication was noted as a key aspect of maintaining positive relationships.
- Tenants who had rented from accidental landlords said they had a positive relationship in comparison to landlords who used managing/letting agents. These landlords were more receptive and easily accessible in comparison.
- While discussing tenancy reform, the focus group discussed the nature of their tenancies and their preferences. Many mentioned that they would sign up for a rolling tenancy after their fixed term had ended while others said that they felt afraid to approach their landlord to ask for another fixed term after it had ended as they felt it would be a prompt for a landlord to increase the rent. Tenants felt that the nature of PRS tenancies, prevents them from feeling totally secure.

Issues encountered with landlords/tenants and the property

- Participants drew upon a range of negative experiences that they had encountered with the property or directly with the landlord during their renting journey.
- Most tenants noted that their standards and expectations of the property and the landlord increased the longer they rented.
- Many tenants raised the lack of clarity around the information on property history and landlords that is available to tenants. They expressed that they were not aware that any information on property history or the track records of landlords and agents was accessible to tenants. Some tenants felt that the How to Rent guide helped tenants become aware of the information they should be seeking before renting a property.
- A key theme noted throughout the tenant sessions was issues that involved a third party such as the freeholder. Tenants who had experienced this gave examples of communal/ exterior issues that were out of the landlord’s control, shifting the power onto the freeholder. Most tenants who had experienced these issues said they ended up leaving their properties, even though they liked it/had a positive relationship with their landlords.
- Many also expressed that they were reluctant to complain due to the fear of being evicted.
- Tenants felt they would be more encouraged to complain if they were reassured that they had another property they could move to after having complained, had protection and landlords were issued fines and had greater accountability.
- Some however, expressed concerns around landlords and agents being reluctant to return deposits thus were conscious that the idea of lifetime deposits would not solve the problem of reducing upfront costs of moving.

Power Balance

- The group noted that the power balance is always in the landlord's favour as ultimately, they own the property.
- Power imbalances shift when landlords do not adhere to their responsibilities.
- Many tenants drew upon the lack of security in the sector as the main cause of power imbalance between landlords and tenants.

Annex C: Customer experience



Tenant experience

I want to...	Current situation	Post reforms
 <p>Find out about my landlord/a potential landlord</p>	<p>Once you enter into a renting agreement, landlords are obliged to provide you with their name and an address in England or Wales, and the rent is not 'lawfully due' until they do so.</p>	<p>As well as the existing requirement for a landlord to provide you with their name and address, you will be able to access the Property Portal to view basic details about landlords and the properties they let.</p>
 <p>Know if a property I'm looking to rent complies with basic standards e.g., has a gas safety certificate</p>	<p>Your landlord and letting agent should be able to confirm that they do and evidence this at the start of the tenancy.</p>	<p>You will be able to access the Property Portal to view how a property complies with standards.</p>
 <p>Understand if a property I'm looking to rent meets a decent standard</p>	<p>Under current requirements, any home you rent must:</p> <ul style="list-style-type: none"> • Be fit for human habitation • Meet minimum energy efficiency standards (currently EPC rating E) • Have smoke and carbon monoxide detectors (only applies to some homes) • Have a gas safety certificate • Have an electrical installation condition report • If a council inspection uncovers a serious hazard, it must be rectified. 	<p>You will be able to access the Property Portal to view whether the home meets the Decent Homes Standard. Meeting the standard means a property must:</p> <ul style="list-style-type: none"> • Be free of the most serious health and safety hazards • Be in a decent state of repair • Have adequate kitchens, bathrooms and common areas which are located correctly, have clean, appropriate, and useable facilities, not too old and have decent noise insulation. • Be warm and dry.
 <p>Find somewhere to rent but I'm on a low income and in receipt of benefits</p>	<p>You will need to find a property to rent within your budget. We know that some landlords may refuse to rent properties to those on benefits.</p>	<p>It will be illegal for landlords to restrict who can view properties based on their benefit status.</p>

I want to...	Current situation	Post reforms
 <p>Know my rights and responsibilities</p>	<p>You must be given a copy of the 'How to rent' guide at the outset of your tenancy. You may be provided with a written tenancy agreement at the outset of your tenancy.</p>	<p>It will be a requirement for you to have a written tenancy agreement setting out basic information about the tenancy as well as the 'How to rent' guide. The Property Portal will display landlord compliance information.</p> <p>New 'easy read' court user guide will help you to understand your rights if your landlord takes possession action against you.</p>
 <p>Put down roots and stay in my property for the long term</p>	<p>Your landlord may ask you to sign up for a fixed term. When the fixed term expires, they may ask you to sign up to another fixed term, or your tenancy may continue on a rolling basis. Your landlord can give you two months' notice (Section 21 eviction) to leave the property at the end of a fixed term or at any point during a rolling contract.</p>	<p>You will have a periodic tenancy. Periodic tenancies are weekly or monthly tenancies which do not last for a fixed period. If you are not at fault, the landlord will only be able to give you notice to leave the property under certain circumstances, e.g. if they intend to sell or move family members into the property.</p>
 <p>Get a pet</p>	<p>Some landlords advertise properties as 'no pets allowed'. Once in a property, you can ask your landlord if you can have a pet but there is no requirement for your landlord to consider this request.</p>	<p>You will have a right to request a pet in your property, which the landlord must consider and not unreasonably withholding consent. To mitigate any concerns about pets, your landlord may ask you to take out pet insurance.</p>

I want to...	Current situation	Post reforms
 <p>Complain about my landlord</p>	<p>If you can't resolve any issues directly with your landlord you may be able to complain to your local council, or you may be able to take your landlord to court – depending on the nature of the issue. In some cases, you may also be able to apply for a Rent Repayment Order.</p>	<p>If you can't resolve any issues directly with your landlord, you will be able to complain to an Ombudsman as an alternative to court. Tenants will be able to complain about a range of issues, including standards, disrepair, and behavioural issues. The Ombudsman will have powers to put things right, including requiring landlords to take action to put something right, issue an apology, provide information, and provide compensation.</p> <p>You will also be able to complain to your local council about standards and disrepair and your local council will have strengthened powers to respond to issues.</p> <p>Alongside this, you can claim compensation through the courts when landlords fail to meet new requirements in the new tenancy system.</p>
 <p>Challenge a rent increase during a tenancy</p>	<p>Rents for new tenancies are negotiated and agreed between landlord and tenant - this is usually via the contract. How the rent is increased will depend on the type of tenancy. Generally, rent can be increased during a tenancy by you agreeing to a new rent with your landlord when you sign a new agreement or if there is a rent review clause in the contract. During a periodic tenancy a landlord can use a Section 13 notice to increase the rent. You can challenge a Section 13 rent increase at the First-tier Tribunal.</p>	<p>Rents for new tenancies will be negotiated and agreed between landlord and tenant. All rent increases during a tenancy will need to be undertaken via the Section 13 process, so you will be able to challenge all increases at the First-tier Tribunal if you consider them to be unjustified. The Tribunal will no longer have the power to increase the rent above the amount your landlord asked for.</p>
 <p>End the tenancy</p>	<p>You can only leave during a fixed term with the landlord's agreement, and you must pay rent for the duration, unless agreed otherwise. Your tenancy agreement should state how much notice you are required to give, outside of the fixed term.</p>	<p>You will be allowed to end a tenancy with two months' notice whenever you need or want to.</p>



Landlord experience

I want to...	Current situation	Post reforms
 <p>Find out what my obligations are as a landlord</p>	<p>You can visit gov.uk to access information and guidance on your responsibilities as a landlord including the 'How to let' guide.</p>	<p>You will be able to access consolidated information about your rights and responsibilities as a landlord via the Property Portal covering both the information you need to provide to tenants and the standards of your property.</p>
 <p>Find out more about demonstrating evidence on my compliance with legal obligations</p>	<p>You can visit gov.uk to access information and guidance on your legal responsibilities to ensure your property is safe and free from hazards.</p>	<p>You will be required to meet the Decent Homes Standard to ensure your property meets compliance standards. You will be required to submit evidence of this on the new Property Portal.</p>
 <p>Resolve issues with my tenant outside of court</p>	<p>If you cannot resolve an issue informally but are a voluntary member of a redress scheme you may be able to access support to help you resolve issues with your tenants.</p>	<p>You will be required to belong to a redress scheme operated by a single Ombudsman.</p> <p>If a tenant has a complaint that you do not resolve, they will be able to pursue a binding resolution to resolve the issue via the Ombudsman.</p> <p>You may also be able to access mediation services to resolve disputes. If you cannot agree with the tenant directly or via mediation, you will have to take your tenant to court to obtain a binding resolution to resolve your issue.</p>

I want to...	Current situation	Post reforms
 <p>Take possession of my property so I can move back into it or sell it</p>	<p>You can use the Section 21 ‘no fault’ ground to reclaim your property by giving two months’ notice. You can also seek possession using the ‘moving in’ ground if you or your partner wants to reside in the property, or you have previously lived in the property.</p>	<p>You will be able to take back possession using the reformed ‘moving in’ ground or the new ground for selling. The expanded ‘moving in’ ground will include when close family members want to live in the property but the intention to live in the property will be vital (not simply prior residence). Both grounds will require 2 months’ notice and the use of the moving and selling grounds will be limited in the first six months of a tenancy.</p> <p>Claim forms for possession will be simplified and streamlined for landlords.</p> <p>The introduction of a new online process for court possession action claims will simplify processes, reduce errors which can cause delays and improve the provision of advice and guidance on your rights, responsibilities, and obligations.</p> <p>The time taken for first hearings to be listed by the courts in cases of serious antisocial behaviour and in temporary and supported accommodation will be reduced, subject to Judicial agreement.</p>
 <p>Act against my tenant who wilfully defaults on rent, repeatedly</p>	<p>Most landlords will use section 21 for this purpose. You can also seek possession via the existing mandatory rent arrears ground (ground 8), but tenants may avoid eviction at a court hearing if the level of arrears is below two months. There is also an existing discretionary ground for any amount of rent arrears.</p>	<p>In addition to the existing mandatory and discretionary rent arrears grounds, you will be able to seek possession of your property using a new mandatory ground for repeated arrears – where tenants have been in at least two months’ arrears three times in the previous three years.</p>

I want to...	Current situation	Post reforms
 <p>Take action against my tenant who has engaged in antisocial behaviour</p>	<p>You can also seek possession using the mandatory antisocial behaviour ground if the tenant has been convicted of an offence, or the discretionary ground for 'causing nuisance or annoyance' or breach of tenancy.</p>	<p>In cases of criminal behaviour or serious antisocial behaviour, you will be able to provide a shorter period of notice (2 weeks) to use the existing mandatory eviction ground. Enhanced government guidance will ensure landlords have more information about how to deal with antisocial tenants. The discretionary grounds will also remain available.</p>
 <p>Let my tenant have a pet but I'm worried about damage to my property</p>	<p>You are encouraged to consider whether your property could accommodate a pet as set out in the model tenancy agreement and you should only reject a request with good reason.</p>	<p>Tenants will have a statutory right to request a pet so you must consider any requests carefully. You should only reject any request with good reason. If you are worried about damage to the property as a result of any pet, you will be allowed to request your tenant take out pet insurance.</p>
 <p>Increase the rent</p>	<p>How the rent is increased will depend on the type of tenancy. Generally, rent can be increased during a tenancy by the tenant agreeing to a new rent if you and your tenant sign a new agreement or if there is a rent review clause in the contract. During a periodic tenancy, you can use a Section 13 notice to increase the rent. Tenants can challenge a Section 13 rent increase at the First-tier Tribunal.</p>	<p>All rent increases during the tenancy will need to be undertaken via the Section 13 process, so tenants will be able to challenge all increases at the First-tier Tribunal if they consider them to be unjustified.</p>



Glossary of key terms

Assured Shorthold Tenancy (AST): The most common type of agreement used by landlords to let residential properties to private tenants. Most new tenancies are automatically this type. A tenancy can be an AST if all of the following apply: it is let by a private landlord or housing association; the tenancy started on or after 15 January 1989; the property is a tenants' main accommodation; a landlord does not live in the property. A landlord can end a tenancy of this type with either a section 8 notice and possession ground, or a section 21 notice and does not have to provide a reason.

Assured Tenancy (AT): These are tenancies agreed under the Housing Act 1988, which offer more security than ASTs. A landlord can end with section 8 notice and possession ground. Currently most commonly offered to tenants of private registered providers of social housing.

Banning Order: An order by the First-tier Tribunal that prohibits landlords and agents who have committed relevant offences from letting or managing residential properties.

Carbon Budgets: A carbon budget places a restriction on the total amount of greenhouse gases the UK can emit over a five-year period.

Category 1 Hazard: see *Housing Health and Safety Rating System (HHSRS)*

Category 2 Hazard: see *Housing Health and Safety Rating System (HHSRS)*

Civil Penalty: A financial penalty imposed by a local housing authority on an individual or organisation as an alternative to prosecution.

Client Money Protection (CMP) scheme: Compensates landlords and tenants if property agents cannot repay their money, for example if the agent goes into administration. Membership of a CMP scheme has been a legal requirement since 1 April 2019.

Database of Rogue Landlords and Property Agents: A database in which local councils

must make an entry when a landlord or property agent has received a Banning Order.

Decent Home: A property that meets four criteria: (1) it meets the current statutory minimum standard for housing (2) it is in a reasonable state of repair (3) it has reasonably modern facilities and services and (4) it provides a reasonable degree of thermal comfort.

Decent Homes Standard: The government's definition of what is a decent home. See *Decent Home*

Discretionary Housing Payment: Financial support awarded by a local council to those in receipt of Housing Benefit or Universal Credit Housing Element to help with rent or housing costs.

English Housing Survey (EHS): A national survey commissioned by the Department for Levelling Up, Housing and Communities. Collects information about people's housing circumstances and the condition and energy efficiency of housing in England.

English Private Landlord Survey (EPLS): A national survey of landlords and letting agents who own and/or manage privately rented properties in England. Commissioned by the Department for Levelling Up, Housing and Communities. Informs government understanding of the characteristics and experiences of landlords and how they acquire, let, manage, and maintain privately rented accommodation.

Energy efficiency: The measurement of energy-expenditure required to achieve a benefit.

Energy Performance Certificate (EPC): Contains information about a property's energy use with a rating from A to G and typical energy costs as well as recommendations about how to reduce energy use and save money. They are needed whenever a property is built, sold, or rented.

First Homes programme: A programme that enables first time buyers to buy a home for a discount of at least 30% less than its market value, which is passed on to all future purchasers.

Help to Buy Equity Loan scheme: Help to Buy enables first time buyers to get an equity loan towards the cost of buying a new-build home with only a 5% deposit.

House in multiple occupation (HMO): A property rented out to at least three people who are not from one 'household' (for example a family) but share facilities such as the bathroom and kitchen.

Household Reference Person (HRP): The person in whose name the house is owned or rented or who is otherwise responsible for the accommodation. In the case of joint owners and tenants, the person with the highest income is taken as the HRP. Where incomes are equal, the older is taken as the HRP. This procedure increases the likelihood that the HRP better characterises the household's social and economic position.

Housing Health and Safety Rating System (HHSRS): A risk assessment tool used to assess hazards in all residential accommodation and specifically by councils to enforce standards in the Private Rented Sector. A hazard can be rated as Category 1 (the most serious, posing an imminent risk to a person's health) or Category 2 (a hazard that is less serious or less urgent).

Local Housing Allowance (LHA): Determines the maximum amount of housing support available to claimants in the Private Rented Sector. A claimant's LHA rate depends on where they live and the number of bedrooms their household is deemed to need, up to a maximum of four bedrooms.

Mortgage guarantee scheme: A scheme which helps to increase the supply of 5% deposit mortgages for credit-worthy households by supporting lenders to offer these products through a government backed guarantee on new 95% mortgages until 31 December 2022.

'No DSS': Refers to when a landlord or agent refuses to rent to anyone who is in receipt of Universal Credit or Housing Benefit. "DSS" refers to the old Department of Social Security which administered state benefits.

'No fault' eviction: Also known as a Section 21 eviction. See *Section 21*

Pre-action protocol: Explains the conduct and sets out the steps a court would normally expect parties to take before commencing proceedings for particular types of civil claim.

Private Rented Sector: Homes for rent that are owned and managed by private landlords.

Property Ombudsman: A scheme that provides a free, fair, and independent service to resolve disputes between consumers and property agents.

Redress scheme: Allows a consumer to escalate a complaint they have against a member of the scheme.

Renter: Refers to a person who is either a tenant or a licensee. This includes Park Home Residents, Property Guardians, Lodgers, HMO tenants, and students in the Private Rented Sector.

Rent Repayment Order (RRO): An order made by the First-tier Tribunal requiring a landlord to repay a specified amount of rent.

Rogue Landlord Database: See *Database of Rogue Landlords and Property Agents*.

Rent-to-Rent Scheme: An arrangement where one landlord (superior landlord) lets their property to another landlord (intermediary landlord) who lets it out to a tenant. The intermediary landlord generally manages the day to day relationship with the tenant.

Section 8: Refers to Section 8 of the Housing Act 1988. A Section 8 notice is served to end a tenancy agreement for one (or more) of the grounds for repossession.

Section 21: Refers to Section 21 of the Housing Act 1988. A Section 21 notice is served to end a tenancy agreement, so that the landlord can regain possession. No reason is required.

Selective licensing: A licensing regime for privately rented properties that applies to a specified area designated by the relevant local council.

Shared Ownership scheme: A scheme which enables home buyers to purchase a share of their home of between 10% and 75% of the home's value, and pay rent on the remaining share. The owner can then buy more shares in their property later on, should they wish to, with a minimum 1% gradual staircasing.

Superior landlord: The person for the time being who owns the interest in the Premises which gives them the right to possession of the Premises at the end of the Landlord's lease of the Premises.

Supported housing: Accommodation where support, supervision or care is provided to help people live as independently as possible in the community.

Tenant: A person who rents a property from a landlord and has exclusive occupation of that property. Usually has an *Assured Shorthold Tenancy*.

Tenant Deposit Protection (TDP): Regulations and services that protect a tenant's deposit for the duration of the tenancy.

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