



Ministry of Housing,  
Communities &  
Local Government

# Overcoming the Barriers to Longer Tenancies in the Private Rented Sector

Government response



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# Introduction

1. The Government is committed to ensuring a fairer and more affordable private rented sector that provides security and stability for both tenants and landlords. The sector has changed dramatically over the last 20 years and is now the second largest housing tenure in England, housing 19% of all households (4.5m households)<sup>1</sup>.
2. It is now home to an increasingly diverse range of people with growing numbers of both families and people over 55 years of age. The change in size and make-up of the private rented sector has led to a growing need for longer, more secure tenancies.
3. On 2 July 2018, the Government launched an eight-week consultation seeking views on longer tenancies, which proposed a new, three-year tenancy model. The consultation closed on 26 August 2018 and 8,706 responses were received from a range of individuals and organisations. 2,668 of these responses were provided in direct response to the consultation, and a further 6,038 were provided by the charity Shelter, who ran a survey with the aim of collecting tenants' views. A significant proportion of the Government's responses were from landlords, and as such, Shelter's data provides an additional opportunity to hear from tenants. Shelter structured their questions to correspond with the original consultation in order that the responses could be analysed alongside our own data. A list of the questions in the Shelter survey is at Annex A. The Department also organised two face-to-face stakeholder events to gather further views on the proposals in our consultation. Both took place in September 2018 and included landlords, tenants, their representative groups and other interested stakeholders. Views from attendees have been reflected within this document.
4. The consultation showed a number of people renting from private landlords have been left feeling insecure by short fixed-term tenancies, unable to plan for the future or call where they live a home.
5. Currently, landlords can evict tenants with as little as two months' notice once their fixed-term contract has come to an end, without needing to give a reason. This means that many tenants live with the worry that they may be evicted at short notice. This instability can have damaging impacts on children's education, and the cost of frequent moves undermines people's ability to save up for a deposit.
6. Some tenants continue to endure poor standards for fear they will be asked to leave if they complain about problems with their home. We want to create an environment where tenants can feel more empowered to challenge their landlord about poor property standards where this occurs without the fear of eviction for no specified reason.
7. However, the consultation also showed there was no consensus around mandating a certain tenancy length. Tenants favoured different lengths of tenancy depending on their circumstances and landlords preferred the status quo.

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<sup>1</sup> English Housing Survey, Private Rented Sector, 2017-18, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/774820/2017-18\\_EHS\\_Headline\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774820/2017-18_EHS_Headline_Report.pdf)

8. In light of this, we will introduce a generational change to the law that governs private renting. **This Government will put an end to 'no-fault' evictions by repealing Section 21 of the Housing Act 1988.** Our announcement is the start of a longer process to introduce these reforms.
9. It will be important to find a balance between giving tenants greater security whilst ensuring landlords are able to recover their property if needed. We do not want to discourage investment in the sector or affect the supply of good quality rental accommodation.
10. Therefore, to ensure landlords have confidence they will be able to end tenancies where they have legitimate reason to do so, **we will also strengthen the Section 8 possession process, so property owners are able to regain their home should they wish to sell it or move into it.** These will be in addition to the existing grounds which allow landlords to evict tenants who don't pay the rent or commit anti-social behaviour.
11. We want to build a consensus on a package of reforms to improve security for tenants while providing landlords with the confidence that they have the tools they need. The Government will be publishing a consultation so that we can collaborate with and listen to landlords, tenants and others in the private rented sector to develop a new deal for renting. Ministers will also work with other types of housing providers outside of the private rented sector who use these powers and use the consultation to make sure the new system works effectively.

# Government response

12. The Government is committed to improving security and stability in the private rented sector. For tenants this means strengthening their rights, so they can plan for the future, and creating an environment where they feel more empowered to challenge their landlord about poor property standards where this occurs. For landlords, this means a more stable and secure private rented sector market in which to remain and invest in, and certainty on their rental income. A buoyant and competitive market will also benefit tenants by ensuring that suitable properties are available to rent.

## Mandating tenancy length

13. This consultation has demonstrated that the current provisions of the Assured Shorthold Tenancy regime, which are now over 20 years old, do not meet the changing and diverse needs of today's private rental market.

14. Most tenants (79%) who responded to the consultation had not been offered longer tenancies by their landlords, but 81% would accept one if it was. Tenants recognised the benefits that longer tenancies could bring, identifying improved security as the biggest benefit – a view that was also acknowledged by landlords. Tenants added that longer tenancies would improve their general wellbeing and welfare, and would help them to feel part of their local communities.

15. Three-quarters of landlords told us that they had not offered longer tenancies. Landlords said that tenants either preferred the flexibility of shorter tenancies or that tenants had not asked for them. This contrasts with the views of tenants – 81% would accept a longer tenancy if offered one, as explained above.

16. However, there was no widespread support from either landlords or tenants for the three-year tenancy model that was proposed in the consultation. Moreover, tenants had mixed views on their preferred length of tenancy, calling for a variety of lengths depending on their needs and circumstances. Landlords preferred the status quo of short tenancies due to the flexibility they provide and because they want to be able to gain possession easily if the relationship with the tenant breaks down.

17. Only 12% of all respondents to our survey choose the three years we proposed as their preferred tenancy length. Tenants favoured a longer period (41% of tenants preferred either three or five-year terms), and just under a quarter preferred unlimited tenancies. More tenants preferred '5 years' or 'no limit set' than a three-year tenancy. In contrast, over two thirds of landlords supported the current regime of shorter 6-12 months tenancies.

18. It is clear that a 'one size' approach to tenancy length will not meet the needs of the range of households and different types of landlord operating in the market today.

## Repossession through the courts

19. Landlords told us that the main barrier to offering longer tenancies was the difficulty in gaining possession of a property through the court system (74%). 47% said they had experienced difficulties. It should be noted, however, that just over half of the landlords who responded to our survey said they had experienced no difficulties repossessing a property through the courts.
20. We are working to speed-up and simplify the process for landlords when they need to use the courts to take back possession of their property. The Courts and Tribunal Service Possession Reform Programme will digitise the court process, making it easier and simpler to use and reducing the errors that landlords can currently make in making a possession claim and preparing evidence, which can lead to delays. We will also provide better guidance and sign posting so that both landlords and tenants better understand their rights, as well as their responsibilities, as the case goes through the courts. We are also looking to free up enforcement agent (bailiff) resources to help them prioritise possession cases, as we know that there can be delays in enforcement once a court has granted a warrant for possession.
21. These proposed improvements are informing our consideration of responses to our recent call for evidence on considering the case for a housing court, published in 2018. This was intended to help us understand the user experience of the courts. In particular, it looked at the difficulties that landlords face when using the possession action process in the county court and whether there are areas of the possession process which could be improved within the existing county court setting, to make it easier and quicker for landlords to gain possession of their properties when needed. That Call for Evidence closed on 22 January 2019 and we will consider the responses alongside developing a package of legislative reforms.

## The legal framework for repossession

22. The consultation responses also showed that on the whole landlords were resistant to the removal of the Section 21 'no-fault' eviction procedure, because it would make it harder to evict tenants who break the tenancy agreement using Section 8 grounds. Landlords were keen to stress that Section 8 grounds for possession were difficult to evidence and they rely on using Section 21 as a swifter alternative. Many landlords stated that this was because the existing grounds for repossession do not provide enough flexibility to respond to changing circumstances.
23. The consultation proposed adding two new grounds to Section 8, covering landlords selling the property or moving into it themselves. These additional grounds would require the landlord to give two months or 8 weeks' notice in writing. 74% of landlords agreed that they were the right grounds.

## A fairer deal for landlords and tenants

24. The government intends to change the legislative framework by **removing the Section 21 'no fault' eviction process, alongside strengthening the grounds for eviction under Section 8 of the Housing Act 1988 and simplifying court processes to make it easier to gain possession through the courts.** These changes would create flexible, open ended tenancies and deliver a more robust system which works for both parties.
25. Under the new framework a landlord will always have to provide a reason for ending a tenancy, such as breach of contract or wanting to sell the property. Tenants will be able to choose to end the tenancy, as long as they provide sufficient notice to the landlord, retaining the flexibility that we know is important to some renters. This will provide tenants with more stability, protecting them from having to make frequent and short notice moves, and allowing them to become part of their local community.
26. The Government will ensure that landlords continue to have the safeguards they need to operate in the private rented sector with confidence. We are clear that any changes to Section 21 legislation will need to be underpinned by enhanced Section 8 grounds and a simpler, faster process through the courts. Landlords will benefit from the stability of long-term tenants, including the security of an assured rental income and fewer void periods.
27. Landlords need to have confidence that they will be able to regain their property quickly in cases where the tenant has broken the terms of their tenancy agreement or where the landlord has other reasonable grounds. Without these assurances, landlords may be prompted to leave the market, which would not help tenants. We are therefore planning to introduce new Section 8 grounds, in parallel to removing Section 21, to strengthen the rights of landlords to recover their properties when necessary, including when they want to sell or move into the property themselves. The Government will consider limiting the use of these new grounds until the tenancy has lasted for two years to provide tenants with additional security.

## Next steps

28. Removing no-fault evictions is a significant step. This announcement is the start of a longer process to introduce these reforms. We want to build a consensus on a package of reforms to improve security for tenants while providing landlords with the confidence that they have the tools they need.
29. **We will launch a consultation on the details of a better system that will work for landlords and tenants. The Government will collaborate with and listen to landlords, tenants and others in the private rented sector to develop a new deal for renting.** Ministers will also work with other types of housing providers outside of the private rented sector who use these powers and use the consultation to make sure the new system works effectively.
30. We will continue to work with the Ministry of Justice and the Courts and Tribunal Service to reform the court processes for possession, to ensure any legislation



changing tenancy lengths is accompanied by appropriate safeguards for landlords. We will also reflect on the introduction of similar legislative changes implemented by the Scottish Government.

31. We recognise that awareness of current rights is an ongoing problem for tenants in the private rented sector, demonstrated in the lack of understanding amongst respondents on the retaliatory eviction protections introduced in 2015. The Government is continuing to undertake work to raise awareness of the rights and responsibilities of both parties when renting property, including through publishing the 'How to Rent' and 'How to Let' guides, and a model tenancy agreement. We will ensure that awareness raising forms a part of a new tenancy framework, to help tenants and landlords to understand their rights and how to exercise them.

# Summary of the longer tenancy framework proposed in consultation

32. The consultation sought views on the barriers to longer tenancies and how these could be overcome. It also proposed a possible new framework for three-year tenancies, to prompt discussion around how longer tenancies might work in practice. The framework built on the existing model tenancy agreement, amending different elements to maximise flexibility for both tenants and landlords, and included:

- a. A minimum three-year tenancy, with a six month break clause, to allow either party to leave the agreement after the first six months, if they are dissatisfied
- b. After the six-month break clause period has passed, the tenant would be able to leave the tenancy agreement by providing a minimum of two months' notice in writing
- c. Landlords can end the tenancy if they have reasonable grounds. These grounds would be in accordance with the existing grounds in Schedule 2 of the Housing Act, 1988, and would include the tenant not paying the rent or engaging in antisocial behaviour. The notice period that landlords would be required to give would be in accordance with the notice set out in Section 8
- d. We recognise that these grounds will not provide landlords with enough flexibility, and so there would be new grounds covering landlords selling the property or moving into it themselves. These additional grounds would require the landlord to give two months or 8 weeks' notice in writing
- e. Rents could only increase once per year, at a rate agreed by both the tenant and landlord at the outset of the tenancy. Landlords must be clear about how rent increases will be calculated when advertising the property. There will not be a cap on the amount the rent can increase by
- f. Exemptions could be put in place for tenancies which could not realistically last for three years, for example, short term lets and student accommodation.

33. The consultation considered what action could be taken to overcome the barriers to landlords offering longer tenancies and welcomed views on how a longer tenancy model could be implemented. We proposed the following means of implementation:

- Legislate to make three-year tenancies mandatory
- Legislate to make three-year tenancies the 'default' with the option for a shorter term let if requested by the tenant
- Financial incentives for landlords
- Voluntary measures including awareness raising, and sharing guidance and best practice.

# Summary of responses

34. Of the respondents to the Government consultation, 62% were landlords, 19% were tenants, 5% were letting/property agents and 15% have been categorised as 'other', representing a cross-section of the sector. 60% of respondents to Shelter survey were tenants (3,641). 38% classified themselves as 'other' (2,275) and less than 2% identified as landlords (97). Shelter's survey was designed to capture the views of tenants, so those respondents who identified as landlords were signposted to the Government online survey instead.

## Views on longer tenancies

35. Most tenants (79%) who responded to the consultation had not been offered longer tenancies by their landlords, but 81% would accept one if it was. Tenants recognised the benefits that longer tenancies could bring, identifying improved security as the biggest benefit – a view that was also acknowledged by landlords. Tenants added that longer tenancies would improve their general wellbeing and welfare and would help them to feel part of their local communities.

36. Three-quarters of landlords told us that they had not offered longer tenancies. Landlords said that tenants either preferred the flexibility of shorter tenancies or that tenants had not asked for them. This contrasts with the views of tenants – 81% would accept a longer tenancy if offered one, as explained above.

37. Landlords told us that the main barrier to offering longer tenancies was the difficulty in gaining possession of a property through the court system (74%). 47% said they had experienced difficulties. However, just over half of the landlords who responded to our survey said that they had experienced no difficulties repossessing a property through the courts.

38. The Government has committed to investigating issues with the repossession process and launched a call for evidence on 13 November 2018 to consider whether a new, dedicated housing court could improve court processes or whether this could be achieved in other ways. We recognise that any policy changes to the tenancy framework will need to be considered alongside any reforms to the court process and we will ensure the two are aligned.

39. Our proposed three-year tenancy model had some support but this was not widespread, with 12% of all respondents to our survey choosing this as their preferred tenancy length. Tenants favoured a longer period (41% of tenants preferred either three or five-year terms), and just under a quarter preferred unlimited tenancies. More tenants preferred '5 years' or 'no limit set' than a three-year tenancy. In contrast, over two thirds of landlords supported the current regime of shorter 6 -12 month tenancies.

40. Some tenants told us that they require flexibility in their tenancy agreements, to allow them to respond to changing circumstances and some said that they were concerned that the proposed framework did not offer this. Feedback from the stakeholder events held in September also suggested that one of the concerns of tenants was being

'locked-in' for three years. This suggests some confusion about the model proposed in the consultation document, which had been designed to allow tenants to end the agreement at any point after the six-month break clause period has passed.

#### Views on the proposed three-year tenancy framework

41. Views on the proposed framework were polarised, with tenants broadly in favour of longer tenancies and landlords preferring the status quo of a six-month initial fixed term.
42. Tenants thought that the proposed three-year tenancy model was workable (62%) and a higher proportion said that the model of longer tenancy we proposed would be attractive to them (72%). They raised a number of concerns about elements of the model, such as the new repossession grounds that would be available for landlords. They thought that the model could be open to abuse by landlords – for example, that the six month break clause could enable landlords to routinely end the agreement at six months – and in some cases said it did not go far enough in providing greater security of tenure, highlighting that landlords' use of 'no fault' evictions can leave them feeling particularly vulnerable.
43. The majority of landlords rejected the model, with only 31% in favour. On the whole, landlords believed that it would involve the removal of the Section 21 eviction procedure and this would make it harder to evict tenants who break the tenancy agreement using Section 8 grounds. Landlords were keen to stress that Section 8 grounds for possession were difficult to evidence and they rely on using Section 21 as a swifter alternative. Many landlords stated that this was because they have little confidence in the court process and that the existing grounds for repossession do not provide enough flexibility to respond to changing circumstances. They argued that the current system works sufficiently well because it enables them to provide a longer tenancy to tenants with whom they have built a good relationship.

#### Views on elements of the framework

44. Respondents were asked to provide views on different elements of the proposed model, to help us provide the right balance of flexibility and security for all parties.
  - Tenancy length: 72% of landlords preferred 6 - 12 months, but 63% of tenants favoured tenancies of three years, five years or tenancies of unlimited length. Some tenants also valued the flexibility of a 6 - 12 month tenancy
  - Break clause: Six months was identified as the appropriate time for a break clause by most respondents, including 52% of landlords and 50% of tenants, although some respondents asked for more than one break clause or suggested different lengths for different parties
  - Notice periods for landlords: 56% of landlords agreed with the two months' notice period proposed in the consultation document, but tenants wanted at least a minimum of three months (31%), with some favouring six months or more (48%)
  - Notice periods for tenants: Two months was seen as the appropriate length
  - Proposal for additional repossession grounds: 74% of landlords agreed that they were the right grounds, but 61% of tenants did not agree, as they thought they could be open to abuse by landlords

- Rent increases: The findings for this question are incomplete and cannot be considered conclusive. From the data that is available, landlords preferred rents to increase annually, but tenants opted for once every two years. There were indications from both parties that they would like rent increases to be linked to inflation
- Exemptions: There was general agreement with all the proposed exemptions, and respondents also thought that tenants in Houses in Multiple Occupation, military families and members of the clergy should also be considered for exemptions.

### Views on implementation

45. The division of opinion between landlords and tenants was most clear when considering how to implement any changes to the tenancy framework. Tenants overwhelmingly thought that legislation will be required to successfully implement any changes, with 81% in favour, but they were divided over whether legislation should include an option for tenants to choose a shorter tenancy term. Tenants thought legislation would increase security, enable tenants to plan better for the future and improve the market conditions in the private rented sector by providing clarity and fairness.
46. 24% of landlords considered legislation to be the best way to ensure longer tenancies are offered. However, many landlords took the opportunity to stress again their concerns with the court system. Some said that the proposed model was too rigid and would not provide enough flexibility or control of their property. Overall, landlords felt it would create a system which was too biased in favour of tenants.
47. A further 24% of landlords considered financial incentives to be the best way to encourage the take up of longer tenancies, and 5% of tenants agreed with this. However, most tenants opposed financial incentives for landlords and reiterated that a change in legislation was needed.

# Consultation findings

## Methodology and datasets

48. The primary dataset used is the response received to the Government's online consultation survey, and it is this data that is presented in the tables throughout this document.
49. Shelter ran a survey containing 14 questions which closely mirrored the questions we asked in the Government survey. This helped to increase the number of tenants who provided a response, so we can be sure we are understanding and reflecting the views of both tenants and landlords on this issue. We have included supplementary information from their questions where applicable within this document, and we have clearly stated when information has come from Shelter's survey. A list of the questions in Shelter's survey is available at Annex A.
50. We received written responses from sector representative bodies and charities representing the views of landlords, tenants and letting/property agents. These have been included in the dataset where possible and are reflected in the narrative.

## Total numbers of landlords, tenants, letting/property agents and 'others'

51. The survey structure asked respondents to identify as either individuals or organisations first, and then as a category of respondent such as landlord or tenant. It is important that we can understand how all landlords and tenants felt about the questions in the survey. To help us present how people responded in a clear and understandable way, we have categorised our respondents into four main categories: tenants, landlords, letting/property agents and 'others'.
52. We have calculated the total numbers of these groups and removed the distinction between individuals and organisations. We assigned all respondents to one of the four categories based on the answers they provided to the first three questions of the survey. Where people identified themselves as being in several of the four categories, primary importance was given to being either a landlord or a tenant. These categories are used consistently throughout the rest of this summary document.
53. The number of respondents in each of these four categories to the Government survey were:

<b>Categories</b>	<b>Numbers</b>	<b>%</b>
Landlords	1,641	62%
Tenants	498	19%
Other	400	15%
Letting/property agents	129	5%
<b>Total</b>	<b>2,668</b>	<b>100%<sup>2</sup></b>

## Description of current eviction procedures

54. In this response document we refer to 'Section 8' and 'Section 21' evictions. For clarity, a landlord can only currently seek possession within the fixed term tenancy period by applying to the court for a possession in accordance with Section 8 of the Housing Act 1988 on one or more of the grounds contained in Schedule 2. These grounds include the mortgage lender being entitled to possession of the property, the tenant being at least eight weeks or two months in rent arrears or a breach of any term of the tenancy agreement, amongst a number of other grounds. These are commonly known as 'Section 8' evictions.

55. Outside of the fixed term period, a landlord can evict a tenant in accordance with Section 21 of the Housing Act 1988 using a Section 21 notice but only where the landlord has complied with certain legal obligations. These are commonly known as 'Section 21' evictions or 'no fault' evictions, because the landlord does not need to provide any grounds for eviction.

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<sup>2</sup> Percentages do not sum to 100 due to rounding.

# About the respondents

Q1: Are you responding:

As a private individual	On behalf of an organisation	Total
2,278 (85%)	390 (15%)	2,668 (100%)

Q2: If you are an individual, in which capacity are you completing these questions?

A landlord	A tenant	Letting/property agent	Other	Total
1,560 (68%)	498 (22%)	16 (1%)	204 (9%)	2,278 (100%)

56. Respondents in the 'other' category represented a broad range of sectors, including the categories listed below, as well as housing professionals, and both former and potential landlords and tenants. The largest group of respondents we have grouped as 'other' (26%) self-identified as a 'concerned citizen' or 'interested party', such as a close relative of someone who rents.

Q3: If you are an organisation, which of the following best describes you?

57. Analysis of the data suggests that respondents from organisations fell into the below categories.

Type of organisation	Number of respondents	
Letting agent	91	23%
Landlord	81	21%
Local government sector	59	15%
A sector representative body	51	13%
Religious organisation	33	8%
Charity that deals with housing issues	30	8%



Property agent	22	6%
Other	10	3%
Legal sector	9	2%
Academic / research organisation	3	1%
Blank	1	1%
<b>Total</b>	<b>390</b>	<b>100%</b>

## Questions for Tenants

58. The Government notes that a large majority of tenants would accept a longer tenancy if they were offered one. That only such a small percentage (21%) have been offered one suggests that the current framework creates barriers and disincentivises landlords from providing longer tenancies. The Government believes that reform to the legislative framework is required to ensure that tenants are able to access longer tenancies, if they would like one.

59. 36% of tenants who responded here did not know they could request a longer tenancy under the current framework. Helping tenants to understand and exercise their rights will be an important part of the future system, and the Government will engage with both tenants, landlords and representative groups to ensure they are able to benefit fully from the new framework.

60. We have only used the data provided by respondents who identified as tenants for these questions.

### Q4: Did you know that you could have a tenancy of greater than 6 or 12 months?

Yes	No	Total
297 (64%)	169 (36%)	466 (100%)

61. Of the tenants who responded to the question, 64% were aware that the current legislative framework allows for a tenancy of longer than 6 or 12 months.

62. Tenants who responded to the Shelter survey were less aware, with 53% (1,925 respondents) answering 'yes'. 47% (1,684) selected 'no'.

### Q5: Have you been offered a tenancy of longer than 12 months?

Yes	No	Total
96 (21%)	371 (79%)	467 (100%)

63. The majority of tenants who responded to this question (79%) said that they have not been offered a tenancy of longer than 12 months.

64. The same was true of tenants who responded to the Shelter survey, as 75% (2,675 respondents) said that they have not been offered a tenancy of longer than 12 months.

## Q6: If your landlord or agent offered you a tenancy of longer than 12 months would you accept it?

65. Respondents were also offered the opportunity to provide a comment in a free text box.

Yes	No	Total
375 (81%)	89 (19%)	464 (100%)

66. Most tenants said they would accept a tenancy of longer than 12 months if they were offered one (81%). Of the 308 tenants who made a comment in the free text box, 57% cited greater security of tenure as the main reason for this.

67. 18% thought that longer tenancies would make the private rented sector more affordable for tenants, by providing assurance that they could afford future rent increases and reducing the number of times they will have to pay moving costs or a deposit.

68. Others said that they would accept a longer tenancy if they were confident in the landlord or if they could end the tenancy through a break clause (17%).

69. The main reason tenants gave for why they would not accept a longer tenancy was that they do not want to be tied to a property or that it does not provide enough flexibility to meet their needs (24% of the tenants who left a comment and said 'no').

70. Tenants who responded to the Shelter survey were even more likely to accept a tenancy of longer than 12 months, with 93% (3,346 tenants) saying that they would.

71. A free text comment box was provided for respondents to Shelter's survey, to expand on their answer, and 1,782 tenants did so. 74% of the tenants who commented said that they would value the additional security a longer tenancy could provide. However, 12% said that they do not want to feel 'locked in', suggesting that there is confusion about the flexibility the proposed model offers tenants (as they will be allowed to exit the agreement at any time after the six-month break clause has passed).

# Questions for Landlords

72. It is clear from the responses that landlords have provided in this section that a significant number are not offering longer tenancies and that the difficulties of using the courts is a key driver in this. The Government recognises the concerns landlords have raised, and that for those who have experienced problems, it can be a difficult and costly process.

73. We have committed to reforming the processes under which landlords can regain possession, as well as looking at the structure of the current court system, to make it easier for landlords to legally and responsibly recover their property. These reforms will include amendments that will enable landlords to recover their property if they need to sell or move into it, to retain the flexibility to suit their changing needs and circumstances.

74. The data used in this section was provided by landlords only in response to the Government's survey.

## Q7: Have you ever offered a tenancy of longer than 12 months?

75. Respondents were also offered the opportunity to provide a comment in a free text box.

Yes	No	Total
348 (23%)	1,161 (77%)	1,509 (100%)

76. Most of the landlords who answered this question had never offered a tenancy of longer than 12 months (77%).

77. 1,268 landlords provided a comment, the most frequent of which was that they or their tenants preferred the flexibility of shorter tenancies (32% of landlords who made a comment), with others stating that tenants had not asked for them (16%).

78. The Residential Landlords Association also found that less than one-third of their members had reported being asked for a longer tenancy by their tenants, although around 40% would offer one under current circumstances. The Government notes that whilst not all tenants require a longer tenancy, some tenants do not feel empowered to request one. Responses from tenants to this survey suggest that a majority would like a longer tenancy and that the new framework must deliver flexibility for all tenants' needs.

79. Landlords also said that they want to be able to regain possession of the property easily (21%) and they like to make sure that the tenant is suitable before offering a longer tenancy (16%).

80. Landlords who had offered a tenancy of longer than 12 months said that they had done so because the tenant had requested it (34% of the 294 landlords who said 'yes' and left a comment) or that they had wanted greater stability and/or a guaranteed income (32%).

## Q8: What would most encourage you to offer a longer tenancy? (Pick One)

81. Respondents were also offered the opportunity to provide a comment in a free text box.

Options	Total
More efficient processes to remove a bad tenant or recover my property if needed	646 (42%)
I do not want to offer longer tenancies	374 (25%)
Happy to offer them if a tenant wants one	187 (12%)
Financial incentive	58 (4%)
My mortgage provider conditions allowing it	49 (3%)
No restrictions around rent	19 (1%)
Longer notice periods	11 (1%)
Other [Please explain]	177 (12%)
<b>Total</b>	<b>1,521</b>

82. Almost half of landlords (42%) stated that a more efficient repossession process would encourage them to offer a longer tenancy. A quarter of landlords answered that they did not want to offer longer tenancies at all.

83. Respondents were offered a free text comment box to explain their choice and 384 landlords chose to do so. 18% of landlords who made a comment said that they would be encouraged to introduce longer tenancies if the tenancy framework had flexibility built into it, to suit different needs and circumstances.

84. Landlords also suggested that they would be encouraged to introduce a longer tenancy if the grounds for repossession under Section 8 were strengthened to include late or partial payment of rent (17%). 17% said that they would offer a longer tenancy if they had a good relationship with their tenant or letting agent.

## Q9: Have you ever experienced difficulties repossessing a property? If yes, please include details of your experience including reference to time taken and cost.

85. Respondents were provided with a comment box to expand on their answer.

Yes	No	Total
695 (47%)	777 (53%)	1,472 (100%)

86. Just over half of the landlords who responded (53%) said that they had never experienced difficulties repossessing a property. 47% said they had experienced difficulties, and of those who provided details (770), 57% stated that they had found the process to be too slow.

87. This reflects the recent survey conducted by the Residential Landlords Association, in which 46% of landlords reported experiencing difficulties in regaining possession of a property. It was argued that while many landlords may not have had personal experience of the courts, those who have share them with others, perpetuating a negative perception of the justice system.

88. The most frequent timeframe to regain possession of a property from claim to eviction cited by landlords was 21 to 52 weeks, with a cost to landlords of between £1,000-£5,000, including loss of rental income and legal fees. Official statistics published by the Ministry of Justice show that the median time for landlord claim to possession was 16.3 weeks<sup>3</sup>.

89. These experiences were echoed by landlords and their representative groups at the stakeholder event held in September 2018. A primary concern was the time taken to gain possession of their property using Section 8 grounds. Some landlords thought that the process for claiming possession due to rent arrears favoured tenants who could 'buy themselves time' by reducing their arrears just below the two-month threshold to avoid appearing at court, forcing the landlord to begin the possession claim process

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<sup>3</sup> Ministry of Justice, Mortgage and Landlord Possession Statistics in England and Wales, October - December 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/778665/Mortgage\\_and\\_Landlord\\_Possession\\_Statistics\\_Oct-Dec\\_18.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/778665/Mortgage_and_Landlord_Possession_Statistics_Oct-Dec_18.pdf)

from the beginning. Landlords said they often used the Section 21 'no fault' process to get a swifter outcome.

# Questions for All – Benefits of and barriers to offering longer tenancies

Q10: Do you think that the protection for tenants from retaliatory eviction introduced in the Deregulation Act 2015 has been successful? Please explain

90. Respondents were also offered the opportunity to provide a comment in a free text box.

	Landlords	Tenants	Letting /Property Agents	Others	Total
Yes	322 (24%)	51 (12%)	41 (44%)	38 (15%)	452 (22%)
No	369 (28%)	171 (41%)	49 (52%)	151 (60%)	740 (35%)
Not aware what these protections are	637 (48%)	199 (47%)	4 (4%)	61 (24%)	901 (43%)
<b>Total</b>	<b>1,328</b> <b>(100%)</b>	<b>421</b> <b>(100%)</b>	<b>94</b> <b>(100%)</b>	<b>250</b> <b>(100%)<sup>4</sup></b>	<b>2,093</b> <b>(100%)</b>

91. Retaliatory eviction can occur when a tenant makes a complaint to their landlord about the standard of their rented accommodation and the landlord evicts the tenant in response to the complaint.

92. There were 2,093 responses to this question, the majority provided by landlords. Just under half of all respondents (43%) stated that they were unaware of the protections available. A small number of respondents thought that there was insufficient information available on the protections. However, awareness was high amongst the letting and property agents who responded.

93. Of those who were aware of the protections, just under two-thirds (62%) thought the protections were not successful. A little over three-quarters of tenants expressed this view, but views amongst landlords were more evenly split as just over half (53%) thought they were not successful. 75 respondents thought they were not successful due to a lack of resources available to local authorities for enforcement.

94. 1,035 respondents chose to leave a comment in the available free text box. Both landlords and tenants expressed a view that the current legislation needed

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<sup>4</sup> Percentages do not sum to 100 due to rounding.



strengthening (24% of the respondents who left a comment), but views were polarised between landlords and tenants about which side the law favoured.

95. The Association of Residential Letting Agents (ARLA Propertymark) answered that the Deregulation Act 2015 had been an unnecessary piece of legislation, which had targeted all landlords, rather than those who operate unlawfully.
96. Shelter, Crisis, Citizens Advice and Generation Rent stressed that they were in support of the principles behind the Deregulation Act 2015, but thought that the provisions had had a limited impact in protecting tenants against retaliatory eviction. It was argued that this was due to a lack of awareness on tenants' part, as well as the complexity and limitations in applying these protections.
97. Some tenant representative groups and local authority respondents pointed to a separate survey<sup>5</sup> conducted by Citizens Advice, which found that tenants who complained to their local authority about disrepair in their home were five times more likely to have been served a Section 21 eviction notice.
98. The Government understands that further work is required to protect tenants from retaliatory evictions, including ensuring that all parties understand their rights. The future framework will require landlords to have reasonable grounds for repossession, to provide tenants with further protection against retaliatory eviction

## Question 11a: What do you consider to be the main benefits of a longer tenancy for **landlords**?

99. Respondents were asked to rate the importance of their chosen benefits below, 1 being the least important and 10 being the most. They were also provided with a free text comment box.

Options	1	2	3	4	5	6	7	8	9	10	Total	Mean
Less risk of void periods for landlords	413	75	119	65	202	99	183	316	165	427	2064	All: 5.98  Tenants: 7.32  Landlords: 5.36
Landlords save on costs of finding new tenants	376	85	143	82	238	114	181	284	174	376	2053	All: 5.87  Tenants: 7.39  Landlords: 5.22

<sup>5</sup> Citizens Advice, (2018), *Touch and go: How to protect renters from retaliatory eviction in England*. (Data collected from a survey of private tenants conducted by Comres on behalf of Citizens Advice.)

	477	139	149	92	251	103	160	230	129	309	2039	All: 5.23  Tenants: 7.30  Landlords: 4.40
Tenants more likely to take care of property												
	236	14	13	11	53	14	30	57	21	172	621	All: 5.27  Tenants: 6.40  Landlords: 4.73
Other - please explain												

100. The highest ranked benefit for landlords was ‘less risk of void periods’ – although it is worth noting that this was more highly ranked by tenants (7.32) and those categorised as ‘other’ (7.41), than it was by landlords (5.36) and letting agents (5.33).

101. 1,219 individuals left a comment in the available free text box. Beyond those already listed, respondents identified landlords being able to offer families a secure home or to allow tenants to be part of cohesive communities as possible benefits (8%).

102. The British Property Federation thought that longer tenancies would improve relationships between tenants and landlords, and openly advocated for the role institutional landlords play in establishing and growing communities.

103. 19% – mostly landlords – said that there is not a link between longer tenancies and property condition – and that in fact longer tenancies may cause tenants to neglect a property. Only nine respondents stated that there were no benefits at all.

## Question 11b: What do you consider to be the main benefits of a longer tenancy for **tenants**?

104. Respondents were asked to rate the importance of their chosen benefits below, 1 being the least important and 10 being the most. They were also provided with a free text comment box.

Options	1	2	3	4	5	6	7	8	9	10	Total	Mean
Greater security for tenants	190	34	61	45	178	81	138	248	196	879	2050	All: 7.56  Tenants: 8.82  Landlords: 6.95

Tenants saving money as they do not have to sign new tenancies or renew so frequently	352	87	78	67	218	109	154	265	220	484	2034	All: 6.29  Tenants: 8.05  Landlords: 5.61
Tenants have greater assurance they can afford any rent increase	355	115	122	105	333	123	168	248	148	314	2031	All: 5.62  Tenants: 6.95  Landlords: 5.01
Tenants more empowered to challenge poor practice	394	130	149	125	302	135	156	174	129	308	2002	All: 5.32  Tenants: 6.79  Landlords: 4.68
Other (please explain below)	175	16	6	9	43	21	19	30	25	160	504	All: 5.56  Tenants: 7.07  Landlords: 4.84

105. 'Greater security for tenants' was the highest ranked benefit for tenants, with an average ranking of 7.56. This was more highly ranked by tenants (8.82) and 'others' (8.90) than it was by landlords (6.95) and letting/property agents (6.69).
106. Stakeholders at the tenant event in September 2018 also thought that having a longer fixed term tenancy would allow them to plan ahead and to have some certainty over future rent levels, which they thought would make it easier to build up savings.
107. A difference in ranking was evident across all four proposed benefits, with tenants and 'others' typically ranking benefits 1 – 4 points higher than landlords and letting/property agents.
108. 1,064 respondents made a comment in the available free text box. Respondents stated that longer tenancies would especially benefit families and older people (11%) and that it would strengthen communities (8%). The Government agrees that enabling tenants to stay in their property for longer will have resultant benefits, including to help create more stable communities.

109. However, some respondents – mostly landlords – also thought that making longer tenancies mandatory could cause landlords to exit the sector, leading to a reduction of the supply of private rented sector housing, which could particularly affect more vulnerable tenants (9%).
110. There was also a feeling amongst respondents that some tenants would require or prefer shorter tenancies, as they want the flexibility of being able to move (10%). ARLA PropertyMark identified flexibility as a key benefit for tenants, as the market accommodates a diverse range of groups with varying needs and some tenants do not see themselves staying in the private rented sector for the long-term.
111. All the proposed benefits received a higher ranking by tenants responding to Shelter's survey, ranging from 9.59 to 9.09. Respondents agreed that greater security for tenants was the main benefit for tenants, and ranked the remaining choices in the same order of preference as respondents to the Government survey.

## Q12: Do you consider that there are any further benefits of longer tenancies that are not covered in question 11? Please explain.

112. This question asked respondents to answer with a free text response. 1,230 respondents provided comments; 780 landlords, 209 tenants, 65 letting/property agents and 176 'others' (46% of the total number of respondents to the survey).
113. Most of the responses related to tenants and their wellbeing. Both landlords and tenants said that increasing security for families was a key benefit, including improving access to local amenities such as schools and GPs (11%). The next most commonly mentioned benefit was enabling tenants to become more integrated in their communities (10%), followed by providing tenants with the ability to plan for the future (6%). Other respondents thought it would improve tenants' mental health and wellbeing more generally (6%).
114. Tenants and their representative groups at the stakeholder event in September 2018 also considered that improved wellbeing would be a key benefit to tenants. Stakeholders were of the opinion that the process, and even the prospect, of continuously moving home can have a negative impact on peoples' mental and physical health. The uncertainty under the current system was thought to be a leading cause of anxiety amongst tenants.
115. This was supported by respondents to the Shelter survey. Of the 2,439 people who provided a comment, 30% said longer tenancies would improve tenants' mental health and physical wellbeing and 27% said they would provide more security for families. 26% said it would allow tenants to plan for the future and invest in the property and 19% said tenants would become better integrated into their communities. 10% said they thought longer tenancies would reduce the number of rogue landlords or improve the relationship between landlords and tenants.
116. A number of respondents to the Government survey – mostly landlords – said that they do not believe any benefits will arise from the introduction of longer tenancies or

felt they felt there would be negative consequences (14% of those who provided comments).

## Q13: What do you consider to be the main barriers to landlords offering longer term tenancies? Tick all that apply.

117. Respondents were also offered the opportunity to provide a comment in a free text box.

	Landlords	Tenants	Letting/property agents	Others	Total
Time taken to gain possession of property	1,071 (74%)	143 (34%)	79 (77%)	169 (58%)	1,462 (65%)
Landlords do not want them	602 (42%)	267 (64%)	47 (46%)	168 (58%)	1,084 (48%)
Landlords want to retain ability to increase rent	464 (32%)	283 (67%)	33 (32%)	134 (46%)	914 (40%)
Mortgage conditions	582 (40%)	135 (32%)	57 (55%)	103 (35%)	877 (39%)
Tenants do not want them	580 (40%)	59 (14%)	61 (59%)	60 (21%)	760 (34%)
Agents' advice	109 (8%)	154 (37%)	11 (11%)	81 (28%)	355 (16%)
Landlords concerned about voids periods	93 (6%)	18 (4%)	6 (6%)	12 (4%)	129 (6%)
Other	567 (39%)	108 (26%)	48 (47%)	144 (49%)	867 (38%)
<b>Total no. of respondents<sup>6</sup></b>	<b>1,449</b>	<b>420</b>	<b>103</b>	<b>292</b>	<b>2,264</b>

118. Respondents identified the time taken to gain possession of a property as the main barrier to landlords offering longer tenancies (65% of all respondents to the question). Almost three quarters of the landlords who answered the question ticked this option, alongside 77% of letting/property agents and 58% of 'others' – although

<sup>6</sup> As this question allowed respondents to select multiple answers, we have calculated the percentages as the total of the number of respondents who selected any answer at all. The percentages for this question therefore do not total 100%, because individual respondents could select more than one answer.

only 34% of tenants felt the same. Many respondents used the free text comment box to state that there is a concern amongst landlords that they could be 'stuck with bad tenants' or that tenants might cause more damage to their property if they had the security of a longer tenancy (26% of the 865 respondents who made a comment).

119. The second biggest barrier was that landlords do not want longer tenancies, which was chosen by 48% of all of those who responded to the question. Tenants in particular felt this to be one of the main barriers (64%), as well as landlords wanting to retain the ability to increase rent (67%) and landlords acting on the advice of agents (37%).
120. A number of landlords answered that the main barrier to longer tenancies was that tenants did not want them (40%). Several stakeholders including Shelter, Generation Rent and the British Property Federation felt that tenants are often wary of asking for a tenancy of longer than 12 months because they are unsure of their rights, believing they would be 'locked-in' to a tenancy with a longer fixed term. A smaller proportion of the tenants responding to our survey said that the main barrier to a longer tenancy was a reluctance on tenants' part (14%).
121. Restrictions imposed on landlords by mortgage conditions was a barrier for 39% of all respondents. However, UK Finance commented that they did not believe mortgage lenders posed a barrier to longer tenancies, with over half of their lenders permitting tenancies of at least 24 months and some having no tenancy length restrictions at all.
122. Respondents from all categories commented that landlords prefer to have control over the length of the tenancy agreement (21% of those who provided a comment) and that landlords' personal circumstances may change over the course of a tenancy, whether for financial reasons, ill health or choosing to live abroad temporarily (17%).
123. For some respondents who commented in the text box, it was the perceived high level of government regulation of the private rented sector which has made letting property less attractive (14% of all respondents, predominantly landlords). This includes recent tax changes which restrict relief for finance costs on residential properties to the basic rate of income tax, which was believed to have limited the profitability of letting and, as a consequence, respondents were against the principle of any further government intervention.
124. The British Property Federation considered landlords' main reluctance to offer longer tenancies be a question of risk, which would be variable depending on the size of their portfolio. Landlords who own only one property could be at a disadvantage when mitigating any risks of a longer tenancy, because their time and resources are spent on one property and the behaviour of the tenants in that property.
125. The Government notes that the biggest barrier landlords said they face to offering longer tenancies is the difficulties of gaining possession. The Government is committed to reforming the current grounds covered by Section 8, which we believe will simplify and speed up the process to give landlords greater confidence in the court system and build greater trust between tenants and landlords.

## A new framework for longer tenancies

126. The overall response to the model was inconclusive, suggesting that what was proposed did not meet the needs of both landlords and tenants.
127. Tenants stressed that the length of a tenancy does not on its own provide enough security. The ability of landlords to use Section 21 to gain possession after a fixed term leaves tenants feeling perpetually vulnerable whenever that period ends.
128. The Government therefore believes the right approach to provide long-term security for tenants is to reform the legislative framework to remove Section 21, to ensure that landlords must always have a valid reason to regain possession of the property.
129. Landlords were clear that any framework must provide them with strong grounds for repossession. Respondents thought that the existing grounds for repossession covered by Schedule 2 of the Housing Act 1988 were the right ones, and agreed with the Government's proposal that new grounds should be added to cover the landlord selling or moving into the property and we will take this forward as part of a new framework.
130. The Government notes the responses provided on individual elements of the model, such as break clause, notice periods and changes in rent, and these will be considered further as the framework is developed.

### Q14: Do you think that a three-year tenancy with a six month break clause as described above is workable?

131. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/Property Agents</b>	<b>Others</b>	<b>Total</b>
Yes	415 (31%)	232 (62%)	22 (24%)	169 (57%)	838 (40%)
No	909 (69%)	145 (38%)	71 (76%)	125 (43%)	1,250 (60%)
<b>Total</b>	<b>1,324</b> <b>(100%)</b>	<b>377</b> <b>(100%)</b>	<b>93</b> <b>(100%)</b>	<b>294</b> <b>(100%)</b>	<b>2,088</b> <b>(100%)</b>

132. There were polarised views between respondents on whether the proposed framework is workable. 62% of the tenants who answered felt that the framework was workable, whereas 69% of landlords and 76% of letting/property agents said that it was not.



133. 1,623 respondents made comments in the text box provided. 19% of these made a positive statement of support, saying that some element of the model was workable.
134. Most respondents used the comment box to highlight concerns about the proposed framework. The biggest concern, raised by 18% of respondents who commented, was that it will be more difficult for landlords to gain repossession of a property because they will be dependent on Section 8 processes, which were thought to be too slow and expensive. This was raised by the Residential Landlords Association and the National Landlords Association, who suggested that a lack of confidence in the court system was the main barrier to landlords' offering the proposed three-year tenancy model.
135. 17% of those who provided a comment – predominantly landlords – said that shorter tenancies should still be an option for the specific groups of tenants who would require them, such as students. They also said that longer tenancies should be negotiated and agreed between landlords and tenants. Only 9% of the respondents who said this were tenants.
136. There were concerns that the model is weighted too heavily in favour of tenants (raised by 16% of respondents, mostly landlords) or that it does not provide enough flexibility for either party to respond to changing circumstances (14%), although most of the people who mentioned this were referring to landlords.
137. Some respondents felt that landlords will be 'locked in' by the proposed tenancy model (13%), either because it was considered too long a period of time or they would not have enough flexibility to regain possession if their circumstances changed.
138. Both tenants and landlords stated that the proposed framework is potentially open to abuse, with one party routinely ending the contract at the end of the six-month break clause period to avoid moving into the next phase of the fixed term (12%). Some of these respondents thought that the model is tantamount to a six-month Assured Shorthold Tenancy, because of the nature of the break clause.
139. There were concerns that the proposed framework would not improve security (11%). Respondents felt that tenants would not be secure until after the six-month break clause period has ended, whilst landlords would not have any security thereafter, knowing that their tenant can end the tenancy agreement at any time.
140. 11% felt that the current system already meets the needs of the sector – although only ten tenants made this comment. Whilst respondents were not directly asked for their views on Section 21, a small number of respondents felt that the proposal would not go far enough to improve security of tenure (5%), and others, mostly tenants, advocated repealing the Section 21 eviction procedure (3%). Generation Rent stated that it is necessary to remove 'no-fault' evictions to improve the model's viability and deliver improved security of tenure. They argued that the use of Section 21 undermines the Government's intentions to rebalance the relationship between tenants and landlords.

**Q15: If you are a landlord would you be willing to offer the model of longer tenancy described above? If you are a tenant would the model of longer tenancy described above be attractive to you?**

141. The data used here is from tenants and landlords only. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlord</b>	<b>Tenant</b>	<b>Total</b>
Yes	410 (31%)	260 (72%)	670 (40%)
No	904 (69%)	101 (28%)	1,005 (60%)
<b>Total</b>	<b>1,314</b> <b>(100%)</b>	<b>361</b> <b>(100%)</b>	<b>1,675</b> <b>(100%)</b>

142. The findings show the extent to which tenants and landlords have opposing views on whether they would accept the proposed framework for a longer tenancy. 72% of the tenants who answered the question said the model was attractive to them – whilst 69% of landlords said they would not be willing to offer it.

143. 1,088 respondents provided a comment in the free text box. The main concern was the lack of flexibility in the framework, mentioned by 15% of respondents who commented. The 116 landlords who said this are concerned that the proposed model would make it more difficult to sell or move into their property if they needed to at short notice. 18 tenants felt that the model did not provide enough flexibility for them to respond to changes in their circumstances.

144. Some landlords supported the status quo of offering 6 to 12 month tenancies. They either stated that they already provide longer tenancies within the current legislative framework or stressed that the current system already meets the needs of those in the sector (14%). For some of these respondents, the model proposed in the consultation document would not actually change anything (14%).

145. The ability to swiftly repossess a property and remove a tenant who has broken the tenancy agreement were deemed a barrier to introducing longer tenancies by respondents – mostly landlords (12%). Many highlighted the difficulty of evicting tenants using Section 8 powers and pointed to the delays in the court process. Other landlords would be willing to offer longer tenancies if these problems were resolved.

146. A small number of respondents highlighted potential risks of implementing longer tenancies, such as landlords deciding to leave the property market (8%).

147. Respondents identified groups who they thought would require further consideration or exemptions from the framework due to their particular circumstances, including houses of multiple occupation (HMOs), housing owned by Dioceses of the Church of England and members of the military.
148. The most frequently made comment by tenants was the model does not go far enough in securing tenants' rights (made by 18% of the 157 tenants who made a comment). 16% of the tenants who commented said that the model would improve their sense of security, whereas 11% commented that it does provide enough flexibility, suggesting that there is a range of views and requirements amongst tenants regarding tenancy length.
149. Shelter asked their respondents whether if they were a tenant, would they like a longer tenancy as described. 3,588 tenants responded to this question and 90% of these said yes. They were also provided with a comment box, to explain their answer, and 2,735 respondents chose to do so.
150. 54% of respondents commented that the proposed framework for longer tenancies would provide greater security of tenure for tenants, allowing tenants to plan for the future. 21% stated that it would make the private rented sector more affordable for tenants. Some thought that the six-month break clause could provide a loophole for landlords to perpetually break agreements at the six-month point (10%) or that it would not prevent landlords from evicting tenants, due to the proposed additional grounds for Section 8 evictions if the landlord wishes to sell or move into the property (7%).

## Q16: How long do you think an initial fixed term tenancy agreement should last (not considering any break clauses or notice periods)? Please explain

151. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/property agents</b>	<b>Others</b>	<b>Total</b>
6 months	552 (43%)	59 (16%)	35 (39%)	49 (18%)	695 (34%)
12 months	378 (29%)	38 (10%)	27 (30%)	38 (14%)	481 (24%)
2 years	61 (5%)	22 (6%)	2 (2%)	8 (3%)	93 (5%)

3 years	81 (6%)	89 (24%)	7 (8%)	68 (25%)	245 (12%)
5 years	8 (1%)	63 (17%)	1 (1%)	17 (6%)	89 (4%)
No limit set	133 (10%)	83 (22%)	8 (9%)	66 (24%)	290 (14%)
Other	78 (6%)	21 (6%)	9 (10%)	24 (9%)	132 (7%)
<b>Total</b>	<b>1291</b> <b>(100%)</b>	<b>375</b> <b>(100%)<sup>7</sup></b>	<b>89</b> <b>(100%)<sup>8</sup></b>	<b>270</b> <b>(100%)<sup>9</sup></b>	<b>2025</b> <b>(100%)</b>

152. The majority of landlords selected an initial fixed term tenancy agreement of 6 or 12 months (72%). 133 of these went on to explain in the free text comment box that they do not believe there to be anything wrong with the current Assured Shorthold Tenancy system.
153. Tenants preferred an initial tenancy length of three years or longer. 24% chose 3 years, 17% chose 5 years and 22% preferred no limit set – preferences which were supported by tenants who responded to the Shelter survey, where 23% selected 3 years (819 tenants), 27% picked 5 years (967 tenants) and 35% favoured no limit set (1,244 tenants).
154. There was a difference of opinion amongst tenants about whether shorter tenancies were preferable; whilst 26% of tenants responding to the Government survey selected 6 or 12 months, only 3% of those who responded to Shelter selected the same.
155. In the comment section, tenants explained that they want security (19% of the 172 tenants who commented). A small number (12% of tenants, 5% of overall respondents) felt that the proposal does not go far enough, and that the Government should be considering indefinite tenancies, as introduced in Scotland in December 2017. Generation Rent and Citizens Advice argued that three years was an improvement on the current use of Assured Shorthold Tenancies, but open-ended tenancies would be a preferable alternative, as they would enable tenants to stay in their home for as long as it suited them. 42% of the tenants who commented on the question in Shelter’s survey said that they would like an open-ended tenancy and 19% said they would like a tenancy between five to ten years, although only 57 tenants chose to comment on this question overall.

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<sup>7</sup> Percentages do not sum to 100 due to rounding.

<sup>8</sup> Ibid

<sup>9</sup> Ibid

156. At the tenant event held in September 2018, attendees were concerned that the presentational perception of a three-year tenancy agreement could be seen to detract from the strength of its purpose and intention. Tenants and their representative groups called for the proposed model to be in line with the provisions in Scotland of open-ended tenancies.

157. 21% of respondents suggested in the free text comment box that the Government could consider implementing different types of tenancies for different groups, depending on their need and circumstances.

158. 16% of respondents to the Government survey and 1% of respondents to Shelter’s survey said they thought that there was nothing wrong with the current system.

## Q17: What do you think is an appropriate length of time for a break clause?

159. Respondents were also offered the opportunity to provide a comment in a free text box.

	Landlords	Tenants	Letting/property agents	Others	Total
Less than 3 months	111 (9%)	25 (7%)	9 (10%)	9 (4%)	154 (8%)
3 months	181 (14%)	43 (12%)	7 (8%)	41 (16%)	272 (14%)
6 months	652 (52%)	183 (50%)	46 (53%)	123 (48%)	1,004 (51%)
12 months	114 (9%)	55 (15%)	9 (10%)	20 (8%)	198 (10%)
Other	195 (16%)	57 (16%)	15 (17%)	62 (24%)	329 (17%)
<b>Total</b>	<b>1,253</b> <b>(100%)</b>	<b>363</b> <b>(100%)</b>	<b>86</b> <b>(100%)<sup>10</sup></b>	<b>255</b> <b>(100%)</b>	<b>1,957</b> <b>(100%)</b>

160. The most commonly selected length of time for a break clause was six months, which was the highest scoring option across all groups.

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<sup>10</sup> Percentages do not sum to 100 due to rounding.

161. Respondents used the comment box to add that there should be two break clauses, with three months and six months commonly cited as possible options (41% of the 748 respondents who left a comment said this). A much smaller percentage felt that the two parties should have a different length of break clause (7%).
162. Other respondents said that there should not be a break clause at all (21%), because it might undermine the security the proposed framework offers to tenants. These views were also reflected in some of the commentary for questions 14 and 15.
163. Shelter asked their respondents for views on the proposed six-month 'probationary period', and 4,557 people provided a comment, 2,810 of which were tenants. Most respondents agreed with the proposed break clause, with 59% providing a statement of support. However, 24% felt that it could be open to abuse, stating that tenants would need protections from landlords using the break clause to evict tenants. 14% said there should not be a break clause.
164. The National Landlords Association and the British Property Federation did not believe that it was appropriate for the Government to set a proscribed break clause and argued that it should be proportionate to the length of contract and mutually agreed by both parties.

## Q18: How much notice should landlords be required to give to tenants when they want to recover their property to sell or move into?

	Landlords	Tenants	Letting/property agents	Others	Total
Less than 1 month	22 (2%)	1 (1%)	1 (1%)	0 (0%)	24 (1%)
1 month or 4 weeks	173 (13%)	6 (2%)	5 (6%)	10 (4%)	194 (10%)
6 weeks	73 (6%)	7 (2%)	2 (2%)	5 (2%)	87 (4%)
2 months or 8 weeks	719 (56%)	63 (17%)	59 (70%)	99 (40%)	940 (47%)
3 months or 12 weeks	237 (18%)	114 (31%)	15 (18%)	82 (33%)	448 (23%)
6 months or 24 weeks	47 (4%)	85 (23%)	2 (2%)	30 (12%)	164 (8%)

Longer than 6 months	13 (1%)	94 (25%)	0 (0%)	24 (10%)	131 (7%)
<b>Total</b>	<b>1,284</b> <b>(100%)</b>	<b>370</b> <b>(100%)<sup>11</sup></b>	<b>84</b> <b>(100%)<sup>12</sup></b>	<b>250</b> <b>(100%)<sup>13</sup></b>	<b>1,988</b> <b>(100%)</b>

165. The majority of respondents stated that landlords should be required to give 2 months or 8 weeks notice, which was in line with the proposed model in the consultation document.

166. However, tenants preferred a longer length. Whilst 56% of landlords and 70% of letting/property agents selected 2 months or 8 weeks, only 17% of tenants thought it was the appropriate amount of notice.

167. 79% of the tenants who answered the question selected a longer notice period, with 31% choosing 3 months or longer, 23% favouring 6 months or 24 weeks and 25% selecting longer than 6 months. Those who have been identified in the 'other' category also favoured longer notice periods.

168. This was supported by the tenants who responded to the Shelter data, only 15% of whom selected 2 months (546 tenants). 34% (1,254) picked 3 months, 36% (1,328) selected 6 months and 12% (419) selected longer than 6 months.

## Q19: How much notice should tenants be required to give to their landlords when they want to leave their tenancy?

	Landlords	Tenants	Letting/property agents	Others	Total
Less than 1 month	16 (1%)	15 (4%)	0 (0%)	4 (2%)	35 (2%)
1 month or 4 weeks	398 (31%)	153 (41%)	33 (39%)	76 (30%)	660 (33%)
6 weeks	141 (11%)	35 (9%)	6 (7%)	21 (8%)	203 (10%)
2 months or 8 weeks	573 (45%)	109 (29%)	38 (45%)	123 (48%)	843 (42%)

<sup>11</sup> Percentages do not sum to 100 due to rounding.

<sup>12</sup> Ibid

<sup>13</sup> Ibid

3 months or 12 weeks	133 (10%)	43 (12%)	8 (9%)	26 (10%)	210 (11%)
6 months or 24 weeks	14 (1%)	10 (3%)	0 (0%)	4 (2%)	28 (1%)
Longer than 6 months	8 (1%)	8 (2%)	0 (0%)	1 (1%)	17 (1%)
<b>Total</b>	<b>1,283</b> <b>(100%)<sup>14</sup></b>	<b>373</b> <b>(100%)</b>	<b>85</b> <b>(100%)</b>	<b>255</b> <b>(100%)<sup>6</sup></b>	<b>1,996</b> <b>(100%)</b>

169. 42% of respondents said that tenants should have to give 2 months or 8 weeks notice when they want to leave the tenancy, making this the most popular option. However, 33% said 1 month or 4 weeks instead.

170. All groups seemed to indicate a preference for a notice period of two months or less. 87% of landlords and 79% of tenants said that the length should be between 1 month or 4 weeks to 2 months or 8 weeks. 10% of landlords and 12% of tenants said it should be 3 months or 12 weeks, with only 1 to 2% of any group selecting a period longer than three months.

171. The tenants who responded to the Shelter survey also supported this, with 40% (1,468 tenants) preferring 1 month or 4 weeks and 33% (1,209) selecting 2 months or 8 weeks. Only 11% picked anything longer than two months and only 3% picked anything shorter than one month.

**Q20: Do you think that the grounds for a landlord recovering their property under any longer term tenancy agreement should mirror those in Schedule 2 of the Housing Act 1988 with the addition of the right for the landlord to recover their property when they wish to move in or sell it?**

172. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/property agents</b>	<b>Others</b>	<b>Total</b>
Yes	893 (74%)	135 (39%)	63 (73%)	173 (69%)	1,264 (67%)

<sup>14</sup> Percentages do not sum to 100 due to rounding.



No	307 (26%)	211 (61%)	23 (27%)	76 (31%)	617 (33%)
<b>Total</b>	<b>1,200</b> <b>(100%)</b>	<b>346</b> <b>(100%)</b>	<b>86</b> <b>(100%)</b>	<b>249</b> <b>(100%)</b>	<b>1,881</b> <b>(100%)</b>

173. Over two-thirds (67%) of all respondents agreed that the existing Section 8 grounds for a landlord to recover their property should be included in any new, longer tenancy agreement introduced, with the additions of the proposed grounds for if a landlord decides to sell or move into the property.
174. Of the landlords who responded, 74% agreed and a similar proportion of agents also agreed. However, of the 346 tenants who responded to this question, 61% did not agree.
175. The most frequent comment, made by 22% of the 957 respondents who commented, was that the additional grounds for repossession of a property should be included in a framework for longer tenancies, so as not to deter accidental or temporary landlords, such as Diocese letting out a parsonage during an interregnum, from continuing to rent out their property.
176. 17% of respondents – primarily landlords, agents and ‘others’ – thought that the proposed additional grounds were important to ensure landlords have flexibility to recover their property when needed, so long as sufficient evidence was provided to prove their intentions. Some respondents commented that the process for gaining repossession will need to be made quicker (16%), whilst others thought that greater powers were needed to remove tenants who break the agreement, especially non-payment of rent (15%).
177. 27% of the 187 tenants who made a comment thought that the additional grounds could be used by landlords to evict tenants, claiming that they wish to sell the property, but instead re-letting it to different tenants. They suggested that the grounds should be restricted to the non-payment of rent or to serious breaches of the tenancy agreement. 85 tenants said that the Section 21 ‘no fault’ eviction process should be removed (45% of tenants who provided comments to this question).
178. The Government notes that respondents thought that new grounds should be added that cover the landlord selling or moving into the property and will take this forward as part of a new framework.

**Q21: Do you think that there should be any restrictions on how often and by what level the rent should be increased in a longer tenancy agreement? And if so, what is the maximum that these restrictions should be? (Tick up to two)**

179. An error in how the Government online survey was set-up meant that respondents were only able to select one answer, which has resulted in an incomplete dataset. The findings presented here are being provided as an indication of views, and further work will be required to ensure stakeholders can provide their full views. As a result, care should be taken when interpreting the data for this question.

180. Respondents were offered the opportunity to provide a comment in a free text box. However, due to the technical issue described above, the box may not have been filled by respondents as was intended by the question.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/property agents</b>	<b>Others</b>	<b>Total</b>
Yes – rent rises should be limited to once per year	547 (42%)	53 (14%)	49 (56%)	101 (38%)	750 (37%)
Yes – rent increases should be limited to once every 18 months	29 (2%)	11 (3%)	1 (1%)	10 (4%)	51 (3%)
Yes – rent increases should be limited to once every two years	41 (3%)	67 (18%)	1 (1%)	15 (6%)	124 (6%)
Yes – rent increases should be limited in frequency but not in the amount that can be charged	102 (8%)	8 (2%)	7 (8%)	3 (1%)	120 (6%)
Yes – rent increases should be linked with inflation measures (e.g. Consumer Price Index)	140 (11%)	122 (33%)	6 (7%)	56 (21%)	324 (16%)
Yes – rent increases should be linked to local market averages	149 (12%)	31 (8%)	7 (8%)	20 (8%)	207 (10%)
No – rent increases should not be limited	156 (12%)	14 (4%)	5 (5%)	6 (2%)	181 (9%)

Other (please explain)	126 (10%)	63 (17%)	12 (13%)	52 (20%)	253 (13%)
<b>Total</b>	<b>1,290</b> <b>(100%)</b>	<b>369</b> <b>(100%)</b>	<b>88</b> <b>(100%)</b>	<b>263</b> <b>(100%)</b>	<b>2,010</b> <b>(100%)</b>

181. The data available suggests that there was a general preference for rent increases to be restricted to once per year. Over 40% of landlords and over half of letting/property agents said that rents should be increased annually. However tenants had more mixed views, with similar numbers choosing either annual increases or once every two years.
182. Of the tenants who responded to the Shelter survey, 13% said rent increases should be limited to once per year, whilst 27% said they should be limited to once every two years.
183. The most often selected option by tenants who responded to the Shelter survey was that rent increases should be linked to an inflation measure, with 35% picking it as one of their two choices. This preference appears to have been reflected in the responses from tenants to the Government survey as well. Generation Rent stressed that aligning rent increases to inflation would better reflect the variation in earnings and ensure that the market remained affordable.
184. The comments left by respondents to the Government survey mentioned allowing for rental payments to decrease, as well as increase, and that rent increases must be made known to the tenant at the outset of the tenancy agreement and should be negotiated by the two parties.
185. Some respondents said that landlords should be able to set rent increases. The British Property Federation said that rather than improve affordability and fairness in the market, an unintended consequence of Government intervention could be an increase of average rents.
186. 2,026 respondents provided a comment in the available free text box on Shelter's survey. 24% said that rent increases should be capped or have a maximum limit to how much they can increase, to ensure they are affordable for tenants. 19% thought they should be reviewed regularly or that they must be based on demonstrable grounds by the landlord – for example, based on improvements to the property or increases in mortgage costs.
187. The 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 these would discourage investment in the sector, and would lead to declining property standards as a result, which would not help landlords or tenants. Notwithstanding, the Government's proposed approach will ensure that tenants cannot be effectively evicted through unreasonable and excessive rent increases.

# Implementing changes to the tenancy framework

Q22: What do you think is the best way to ensure that landlords offer longer term tenancies to those that want them or need them? Please explain.

188. Respondents were also offered the opportunity to provide a comment in a free text box.

	Landlords	Tenants	Letting/Property Agent	Others	Total
Change the law to require all landlords to offer longer tenancies as a default with an option to choose a shorter term	250 (20%)	120 (32%)	14 (17%)	52 (20%)	436 (22%)
Change the law to require all landlords to offer longer tenancies	54 (4%)	180 (49%)	2 (2%)	110 (42%)	346 (18%)
Financial incentives	300 (24%)	19 (5%)	20 (24%)	33 (13%)	372 (19%)
Voluntary measures such as a kitemark on longer term properties or an updated version of the model tenancy agreement	244 (20%)	19 (5%)	21 (25%)	23 (9%)	307 (16%)
Other (please explain)	389 (31%)	32 (9%)	27 (32%)	46 (17%)	494 (25%)
<b>Total</b>	<b>1237</b> <b>(100%)<sup>15</sup></b>	<b>370</b> <b>(100%)</b>	<b>84</b> <b>(100%)</b>	<b>264</b> <b>(100%)<sup>16</sup></b>	<b>1,955</b> <b>(100%)</b>

<sup>15</sup> Percentages do not sum to 100 due to rounding.

<sup>16</sup> Ibid

189. Most respondents favoured a change in the law to ensure that longer tenancies are offered in the private rented sector (40%), with tenants in particular supporting the legislative options (81% who responded the Government survey and 92% of those who responded to Shelter's survey).
190. Tenants were divided between whether to legislate to introduce longer tenancies as the default position with an option to choose a shorter term – or without that option. 48% of tenants who responded to Shelter favoured the option for a shorter term (1,746 tenants), whilst 32% of the tenants who responded to the Government survey selected this. 43% of Shelter's tenants chose the option to change the law to require all landlords to offer longer tenancies (1,581 tenants), and 49% of tenants responding to the Government chose this.
191. Many of the stakeholders who represent tenants' interests advocated for a change in legislation, arguing that it would ensure uniformity across the sector. If longer tenancies remained voluntary, it was feared that landlords would discriminate against some tenant groups, creating a 'two-tier' market.
192. Landlords preferred the non-legislative options, which were financial incentives or voluntary measures (44%). 17% of the 1,081 respondents who left a comment remarked that tax relief would be sufficient encouragement to offer longer tenancies to enable them to offset potentially higher maintenance costs. Suggestions included reintroducing the 'fair wear and tear allowance' and reviewing measures to restrict relief for landlords' finance costs on residential properties to the basic rate of income tax.
193. The National Landlords Association and the Residential Landlords Association both stated that a change in law would not be advisable and risked pushing landlords out of the sector. They questioned the efficacy of enforcing such legislation, endorsing financial incentives to offer a business benefit to landlords' investments.
194. A number of others also mentioned improving the possession process and reducing landlords' legal expenses (16%). Others highlighted their dislike of the Government's proposals stating, 'there is nothing wrong with the current system' (12%). Whilst we note these views, the Government is satisfied that the current provisions of the Assured Shorthold Tenancy regime do not meet the changing and diverse needs of the market.
195. 12% of respondents said that the decision to agree a longer tenancy should be left for the two parties to agree together and that tenants and landlords could be matched together depending on the length of tenancy agreement they are looking to enter.
196. 1,363 tenants provided a comment in Shelter's survey. 49% of those who did stated that they believed that the only way to change landlords' actions was to change the law to mandate for longer tenancies. 25% felt that shorter tenancies should still be an option for those who need them – suggesting further education is required to help tenants understand that the proposed model would allow them flexibility to leave the agreement after the six-month break clause has passed.

197. The Government believes that the best way to introduce effective and lasting reform across the entire private rented sector is to change the legislative framework. The Government intends to reform the existing legislative system, adjusting tenancy lengths to provide tenants with greater security whilst also amending eviction grounds to ensure landlords have the confidence to operate in the sector. It is clear from responses that wholesale change is required to ensure the private rented sector is fit for purpose.

## Q23: Which types of tenancy should be exempted from the proposed system? (Select all that apply)

198. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/property agents</b>	<b>Others</b>	<b>Total</b>
Purpose built student accommodation	653 (51%)	193 (55%)	41 (46%)	157 (55%)	1,044 (52%)
All student accommodation	862 (68%)	201 (58%)	61 (68%)	157 (55%)	1,281 (64%)
Holiday lets	886 (70%)	263 (75%)	60 (67%)	187 (65%)	1,396 (70%)
Tenancies for those with visas ending in the next 3 years	769 (60%)	141 (40%)	58 (64%)	111 (39%)	1,079 (54%)
Tenancies for those with short term contracts	795 (62%)	135 (39%)	53 (59%)	118 (41%)	1,101 (55%)
Others	368 (29%)	40 (11%)	25 (28%)	53 (18%)	485 (24%)
<b>Total no. of respondents<sup>17</sup></b>	<b>1,273</b>	<b>349</b>	<b>90</b>	<b>286</b>	<b>1,998</b>

<sup>17</sup> As this question allowed respondents to select multiple answers, we have calculated the percentages as the total of the number of respondents who selected any answer at all. The percentages for this question therefore do not total 100%, because individual respondents could select more than one answer.

199. Respondents from across the sector indicated that there should be exemptions to the proposed system for tenants who cannot be expected to enter into a three-year agreement by selecting from the proposed list.
200. There was broad agreement that student accommodation and holiday lets should be exempt. However, landlords were more likely than tenants to think that exemptions would be required for tenants on short term contracts or with visa ending within the tenancy period.
201. Of the 972 respondents who provided a comment in the free text box, 25% said that 'there is nothing wrong with the current system', a large percentage of whom were landlords. Almost a quarter suggested that there should be a form of exemption for tenants and landlords who only wanted short term tenancies.
202. Other types of tenancy mentioned by respondents in the comments section were Houses in Multiple Occupation (9%), landlords who let their main residence or live abroad temporarily (5%), accidental landlords who may only let one property (4%), properties let by religious organisations or charities (3%) and temporary accommodation provided to homeless people, or victims of domestic abuse (3%).
203. Some people remarked that 'there should be no exemptions to the proposed model' and suggested that a new framework should ensure that there is enough flexibility within the model to allow for different tenancy lengths (7%). Some stakeholders at the tenant stakeholder event suggested that exemptions were unnecessary and could lead to exploitation and loopholes in the system.
204. The Government agrees that exemptions will need to be considered for certain groups and this will be developed further as part of the new framework.

## Q24: What do you think would be the benefits and disadvantages of changing the law to require all landlords to offer the longer term tenancy model?

205. This question required individuals to answer as a free text response. In total 1,750 people from across the sector commented, 1,156 landlords, 286 tenants, 74 letting/property agents and 234 'others' (66% of the total number of respondents to the survey).
206. Tenants and those we have categorised as 'others' highlighted the positive impacts of changing the law to require all landlords to offer longer tenancies. Many referenced the increased sense of security, as well as the ability to plan for the future (43% and 45% respectively). Our proposals will ensure that tenants are better protected and will not have to move at short notice. Some respondents also said that a legislative change would affect the market as a whole, leading to greater fairness and clarity within the private rented sector (19% and 25%).
207. A number of landlords also understood the potential benefits of legislative implementation to be greater security of tenure for tenants (13%), as well as greater

security of income for themselves (6%). 39% thought that a change in legislation would have a negative impact on the supply of properties within the private rented sector, a view supported by a number of letting/property agents (53%) and organisations (35%).

208. Some landlords said that they would consider exiting the market because they would be unwilling to commit to longer tenancies. Others said that a change in legislation would create a two-tier system of renting, whereby landlords would discriminate against tenants they deemed too 'risky' or that they would charge increased rent to offset the risks of a longer tenancy.
209. This view was shared by ARLA Propertymark, who stated that a possible shrinkage of the market would leave many low-income tenants vulnerable to unfair rents and substandard properties. They felt that many private rented sector tenants are not in a position to buy and are therefore dependant on the long-term stability of the sector. Almost a quarter of landlords (23%) remarked that they saw no benefits to changing the law and considered the Government's proposal to be too rigid. They said that it would make it even more difficult for them to regain possession of their property (14%). It was felt that rather than provide security for landlords, longer tenancies may increase the possibility that tenants could break the terms of their contract or accrue larger rent arrears. This supported another statement from landlords which suggested that the proposed three-year model was weighted in favour of tenants' rights, and they would have less control over their property and the amount of rent that could be charged (10%). We recognise the concerns of landlords. Our reforms to Section 8 and repossession processes will give landlords the safeguards they need to legally exit a tenancy, should they have reasonable grounds.
210. Individuals also raised a number of other potential unintended consequences to introducing mandatory longer tenancies, such as an increase in homelessness and decreased availability of buy-to-let mortgages.

## Q25: What, if any, financial incentive could encourage longer tenancies? Please explain

211. Respondents were given the opportunity to answer this question as a free text response. There were 1,578 responses in total, 1,068 from landlords, 249 from tenants, 67 from letting and property agents and 194 'others' (59% of the total number of respondents to the survey).
212. The most common response amongst landlords, letting agents and 'others' was that tax breaks would be the most suitable financial incentive to encourage landlords to offer longer tenancies (36%). This could include reversing measures to restrict relief for finance costs on residential properties to the basic rate of income tax. Each of these groups also said that there should be a government-backed rental guarantee introduced alongside longer tenancies, to reassure landlords that they would not be at a disadvantage as a result of these changes (9%). This could come in the form of an insurance policy covering non-payment of rent or property damage, or a government supported buy-to-let mortgage for longer tenancies.



213. A number of the stakeholders representing landlords, such as the Residential Landlords Association, National Landlords Association and ARLA PropertyMark, agreed that financial incentives would be the most effective and least disruptive way to encourage longer tenancies.
214. Tenants were largely against offering financial incentives to landlords, arguing that a change in the law would be most successful in compelling landlords to rent their properties for longer periods (43%). A number of landlords also agreed that there was no need for financial incentives (18%).
215. Some tenants did recognise the benefit in offering landlords a financial incentive (19%), and others suggested that there should be incentives for tenants to make longer tenancies more stable and appealing (9%) such as fixed rental rates for the duration of the tenancy and penalties for landlords who terminate the tenancy early.
216. Once again, landlords were keen to stress that one of the main barriers to offering a longer tenancy was the time and cost of regaining possession of their property if issues arose with their tenants. 8% said that if longer tenancies were introduced, there should be an improved court process, with fewer costs involved.
217. The Government wants to drive lasting change in the private rented sector that all tenants will benefit from and believes that the best way to do this is to change the legislative framework.

**Q26: If there were a financial incentive to offering longer tenancies, what conditions should a landlord have to comply with to be eligible? (Tick all that apply)**

218. Respondents were also offered the opportunity to provide a comment in a free text box.

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/property agents</b>	<b>Others</b>	<b>Total</b>
Meet all legal requirements	686 (56%)	259 (75%)	54 (24%)	172 (77%)	1,171 (63%)
Agree to certain restrictions about frequency and level of any rent increase	508 (42%)	233 (68%)	37 (45%)	149 (67%)	927 (50%)
Comply with a minimum of property standards,	851 (70%)	244 (71%)	55 (66%)	161 (72%)	1,311 (70%)

including gas safety checks and tenancy deposit protection					
Other (please explain)	447 (40%)	129 (37%)	32 (39%)	111 (50%)	719 (38%)
<b>Total no. of respondents<sup>18</sup></b>	<b>1,221</b>	<b>345</b>	<b>83</b>	<b>223</b>	<b>1,872</b>

219. There was a broad consensus that if the Government were to offer landlords financial incentives, they should comply with the minimum property standards, such as gas safety checks and protecting a tenants' deposit in an independent scheme (70% of respondents selected this option).

220. A significant number of tenants said that landlords should have to meet all legal requirements to be eligible for financial incentives (75%), in contrast with 56% of landlords. Views also differed as to whether landlords should have to agree to certain stipulations around rent increases, with 68% of tenants in agreement and 42% of landlords.

221. Some who provided an additional comment also suggested that landlords should be entered onto a national landlord register, which could include a mandatory arbitration or mediation scheme (9%).

222. Almost half of the 715 respondents who provided a comment, including landlords, felt that individuals should not be rewarded for complying with standards which they should already be made to uphold, particularly around property safety. It was their understanding that landlords must already comply with the conditions listed and should not receive financial incentives for providing a base level of service.

## Q27: What other options to promote longer tenancies should be considered?

223. This question required individuals to answer as a free text response. In total 1,199 people from across the sector commented, 799 landlords, 193 tenants, 57 letting/property agents, and 151 'others' (45% of the total number of respondents to the survey).

224. Respondents repeated similar themes from previous questions. 16% of respondents said that an improved court process would most encourage them to offer a longer tenancy, as well as financial incentives (11%) and government-backed guarantees (10%).

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<sup>18</sup> As this question allowed respondents to select multiple answers, we have calculated the percentages as the total of the number of respondents who selected any answer at all. The percentages for this question therefore do not total 100%, because individual respondents could select more than one answer.

225. All groups said that the Government should consider introducing a system for people to enter into a longer tenancy voluntarily, for example by matching tenants with landlords able to offer a tenancy of longer than 12 months (15%).

226. 7% said that there should not be any financial incentives and that a change in the law would be more effective in introducing longer tenancies.

**Q28: Do you consider that any of the above would impact on people who share a protected characteristic, as defined under the Equalities Act 2010, differently from people who do not share it? If yes, please provide details.**

	<b>Landlords</b>	<b>Tenants</b>	<b>Letting/Property Agents</b>	<b>Others</b>	<b>Total</b>
Yes	145 (15%)	74 (24%)	11 (15%)	69 (37%)	299 (19%)
No	861 (86%)	229 (76%)	60 (85%)	116 (63%)	1,266 (81%)
<b>Total</b>	<b>1,006</b> <b>(100%)</b>	<b>303</b> <b>(100%)</b>	<b>71</b> <b>(100%)</b>	<b>185</b> <b>(100%)</b>	<b>1,565</b> <b>(100%)</b>

227. Of the 1,565 people who answered this question, 1,266 (81%) said that changing legislation to ensure landlords offer longer tenancies would not impact on people who share a protected characteristic. Respondents were also offered the opportunity to provide a comment in a free text box.

228. Of the respondents who answered 'yes', over a quarter argued that it would have a generally positive impact on people who share a protected characteristic (26%), with some suggesting that more vulnerable groups such as people with disabilities and older people could remain in the same property for longer, and as a consequence could make adjustments to their home and better access community services, such as health and social care (26%).

229. Conversely, 22% of all groups said that it would have a negative impact on people who share a protected characteristic. Although not a protected characteristic under the Equality Act 2010, 29% stated that they thought our plans would have a negative impact on tenants who are in receipt of Housing Benefit or Universal Credit – a comment repeated in other comment sections throughout the survey by both landlords and tenants. There was concern among all groups that landlords may discriminate against tenants they deem to be 'riskier', such as people on low income, people with a history of homelessness and migrant communities.

230. Respondents pointed to research conducted by Shelter and Crisis, which indicates that landlords are less likely to rent to people who receive Housing Benefit or Universal Credit. ARLA Propertymark also said that longer tenancies could push vulnerable groups outside of the scope of the regulated private rented sector, because in their view, professional landlords would opt for wealthier tenants.
231. The Government was grateful for responses on this question and will take these views into consideration when reforming the existing system to ensure that no protected group is disadvantaged under the new system.

## Q29: Do you have any other comments that have not been captured elsewhere in this consultation?

232. This question required individuals to answer as a free text response, and was answered by 1,151 people; 760 landlords, 159 tenants, 55 letting and property agents, and 177 other organisations (43% of the total number of respondents to the survey). The majority of respondents (35%) raised issues which had previously been captured in other questions in the consultation, such as the repossession process, regulation of the private rented sector, as well as thoughts and comments on the tenancy framework itself.
233. Others opted to state whether they were 'for' or 'against' the Government's proposal of longer tenancies. Of those landlords who answered, 28% said that they were opposed to a tenancy of longer than 12 months, with only 3% in favour. 20% of the tenants who responded said that they supported the Government's proposal, with 10% against.
234. Approximately one in twenty respondents said that security of tenure could be achieved through alternative means. It was argued that tenancy length is somewhat irrelevant to security of tenure, and that security is derived from good communication and a trusting relationship between landlord and tenant. It was also suggested that many tenants and landlords are still unaware of their rights and responsibilities within existing legislative frameworks and would benefit from an educational campaign which could provide people with the awareness and confidence to enforce them. The Government agrees that it is essential that both parties are fully aware of their rights, and responsibilities, and that communication forms the basis of good relationships in the sector. We will ensure that raising awareness forms a key part of implementing the new framework.

# Annex A – Shelter survey questions

**Q1: In what capacity are you completing these questions?**

- A private tenant
- A tenant
- A landlord [Respondents who clicked this link were then redirected to a message signposting them to the full MHCLG consultation, as requested by MHCLG.]
- Other

If other, please specify

---Open field---

**Q2: There are many potential benefits of longer tenancies for renters. On a scale of 1 to 10, how important are each of these benefits? (Note - where 10 is the most important)**

- Greater security for tenants
- Tenants saving money as they do not have to sign new tenancies or renew so frequently
- Tenants have greater assurance they can afford any rent increase
- Tenants are more empowered to challenge poor practice
- Any other benefits? (Please specify)

---Open field---

**Q3: If you are a tenant would you like a longer tenancy as described below?**

- Yes
- No

Please explain why

---Open field---

*The UK Government are consulting on proposals for new 3-year tenancies for private renters in England. The key features of this new tenancy for renters in England would be:*

- An initial six month probationary tenancy period, at the end of which either the tenant or the landlord could decide to end the tenancy*
- This would be followed by a further two and a half year term, during which the tenant can leave at any time by giving 2 months' notice, and the landlord can only end the tenancy if rent is unpaid, the property is damaged, or the landlord needs to sell*
- Rent rises could only take place annually and the amount that the rent increases by must be set out in the tenancy agreement, so renters will know the maximum amount that their rent can increase by in advance*

**Q4: How much notice should you have to give when you want to leave your rental agreement?**

- Less than 1 month
- 1 month
- 6 weeks
- 2 months
- 3 months
- 6 months
- Longer than 6 months

**Q5: In an ideal world, how long would you like your rental agreement to last? Assume you can give notice at any time when you would like to leave. Please elaborate.**

- 6 months
- 12 months
- 2 years
- 3 years
- 5 years
- No limit set
- Other

---Open field---

**Q6: If a landlord wanted to sell or move back into a property, how much notice should they give you?**

- Less than 1 month
- 1 month
- 6 weeks
- 2 months
- 3 months
- 6 months
- Longer than 6 months

**Q7: How do you think rents should be controlled during your rental agreement? (tick up to 2)**

- Rent increases should be limited to once per year
- Rent increases should be limited to once every 18 months
- Rent increases should be limited to once every 2 years
- Any rent increases should be linked with an inflation measure (e.g. Consumer Price Index)
- Rent increases should be linked to local rent levels
- Rent increases should be limited in frequency but not in the amount
- Rent increase should not be limited

Any other thoughts about rent increases?

---Open field---

**Q8: The government's proposal includes a 6 month probationary period\*. What do you think of this?**

*\*With this proposal you would have to stay for the first 6 months, but after this either you or your landlord could choose to end the rental agreement. If you choose to stay past 6 months then for the rest of the tenancy your landlord could only evict you with a valid reason - and you could give notice at any point.*

---Open field---

**Q9: What do you think is the best way to ensure that landlords offer longer term tenancies to those that want them or need them?**

- Change the law to require all landlords to offer longer tenancies
- Change the law to require all landlords to offer longer tenancies as a default, with an option to choose a shorter term.
- Financial incentives for landlords
- Voluntary measures such as a kitemark on longer term properties or an updated version of the existing model tenancy agreement
- Other

Please explain.

---Open field---

**Q10: Did you know that you could have a tenancy of greater than 6 or 12 months?**

- Yes
- No

**Q13: Have you been offered a tenancy of longer than 12 months?**

- Yes
- No

**Q14: If your landlord or agent offered you a tenancy of longer than 12 months would you accept it? Please explain**

- Yes
- No

Please explain

---Open field---

**Your details:**

**First name**

**Last name**

**Email address**

**And finally, do you have any other comments?**