# Options assessment

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| Title: | Awaab's Law Options Assessment |
| Type of measure: | Regulatory |
| Department or agency: | Ministry for Housing, Communities and Local Government |
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## 1. Summary of proposal

1. The proposal is to set the 'Awaab's Law' requirements that must be met by landlords of properties let under tenancies in the Private Rented Sector (PRS) and to extend Awaab's Law to certain types of accommodation occupied under licence, thereby protecting occupants from having to live in dangerously unsafe conditions.

2. Awaab's Law mandates that landlords meet requirements set in regulations in relation to health and safety hazards in their properties – for example, carrying out repairs within specified timescales. Repairs that fall under Awaab's Law are expected to be those which PRS landlords are already responsible for addressing under their existing statutory obligations. The focus of this policy is specifying timescales and process for meeting these existing obligations, rather than placing new duties to carry out works beyond current requirements.

3. Awaab's Law currently applies only to social housing tenancies. Provisions in the Renters' Rights Act 2025 expand the scope to private rented sector tenancies, providing a power to set the Awaab's Law requirements that must be met by private landlords. The Act also includes a regulation-making power to apply Awaab's Law to accommodation occupied under licence. Ahead of making such regulations, the Government is consulting to inform decisions on what specific requirements these should include, and which types of licence should be covered.

4. To note, the decision whether to extend Awaab's Law to private rented sector tenancies is not in scope of the consultation and Impact Assessment. This was legislated for in the Renters' Rights Act 2025, and this decision was therefore already considered in the Impact Assessment for this Act.[1] The subject of this consultation and Impact Assessment is instead the decisions on how Awaab's Law will be implemented for private rented sector tenancies and what specific requirements

[1] Renters' Rights Bill: Impact assessment - GOV.UK

should apply to such accommodation, and whether to extend Awaab's Law protections to certain types of accommodation occupied under licence.

Policy background

5. Awaab's Law is the response to the tragic and avoidable death of two-year-old Awaab Ishak in December 2020. In 2022, an inquest found that he died as a result of a respiratory condition caused by prolonged exposure to mould in his family's socially rented home. Despite being aware of the mould, the landlord did not take action for over two years. A campaign was led by Awaab Ishak's family, Shelter and the Manchester Evening News that called for legislation to introduce timeframes for social landlords to make repairs in their properties.

6. The previous government legislated through the Social Housing (Regulation) Act 2023 to provide powers for applying Awaab's Law to social rented sector tenancies. The 2023 Act inserted into social housing tenancy agreements an implied term that required landlords to comply with new Awaab's Law requirements and provided a power to set the detail of these requirements through secondary legislation. This means registered providers of social housing (also referred to as 'social landlords') will have to meet these requirements set in regulations and, if they fail to do so, tenants will be able to hold their landlords to account by taking legal action through the courts for a breach of contract.

7. A consultation ran from January to March 2024 on the approach to implementing Awaab's Law in the social rented sector.[2] The Government published a response to this consultation in June 2025 setting out the details of the Awaab's Law requirements that must be met by social landlords and the approach to implementation.[3]

8. Regulations were subsequently laid in Parliament to bring Phase 1 of Awaab's Law requirements into force, and these came into force in October 2025.[4] This initially requires landlords to remedy emergency hazards and those relating to damp and mould within the requirements set out in Awaab's Law. The Government will be bringing Awaab's Law into force in full for social housing tenancies through two further phases in 2026 and 2027.

9. The current Government committed in its manifesto for the 2024 general election to extend Awaab's Law to the private rented sector. The Government therefore legislated to do this in the Renters' Rights Act 2025. Section 60 of the Act extends Awaab's Law to tenancies in the private rented sector, allowing requirements to be set through regulations specifying how landlords of privately rented accommodation must deal with hazards in their properties. In addition, section 61 of the Act allows Awaab's Law to also be applied to accommodation occupied under licence. Licences are used rather than tenancies for residential accommodation in specific circumstances, notably when there is no right to exclusive possession or it is not for a defined period of time. They are commonly used in temporary accommodation and supported housing, among other types of residence.

[2] Awaab's Law: Consultation on timescales for repairs in the social rented sector - GOV.UK
[3] Awaab's Law: Consultation on timescales for repairs in the social rented sector - government response - GOV.UK
[4] The Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025

10. During the passage of the Act through Parliament, ministers committed to consulting on the detail of the approach to applying Awaab's law to the private rented sector to make sure this worked effectively for the sector and was fair and proportionate for both tenants and landlords. They also stated that this consultation would consider what types of accommodation occupied under licence should be brought within scope of Awaab's Law.

11. This consultation therefore seeks views and evidence to inform decisions on the detail of Awaab's Law requirements for private rented sector tenancies and what types of accommodation occupied under licence should be brought into scope of Awaab's Law. For private rented sector tenancies, the consultation uses the Awaab's Law requirements that apply to social housing tenancies as a starting point and seek views on the extent to which these may need to be adjusted for the private rented sector. For accommodation occupied under licence, the consultation sets out an initial proposition that Awaab's Law should be extended to three accommodation types (temporary accommodation, supported housing and care leaver accommodation) but seeks views on potential challenges and risks of doing so, as well as seeking input on whether there are other types of accommodation occupied under licence that should also be considered.

# 2. Strategic case for proposed regulation

*Impact of poor quality in the private rented sector*

12. Market forces have not been sufficient to ensure everyone in the private rented sector has access to safe and good quality housing and as a result, the private rented sector provides the poorest quality housing of all tenures. In 2024-25, 22% of privately rented homes in England failed to meet the Decent Homes Standard,[5] the quality standard that has applied to social housing since 2001. In comparison, 15% of owner-occupied homes and 10% of socially rented homes were non-decent.

13. Most concerningly, 10% of private rented sector homes contained a hazard at the most dangerous 'Category 1' level in 2024-25, compared to 9% of homes in owner occupation and 5% of homes in the social rented sector. Health and safety hazards in homes are assessed under the Housing Health and Safety Rating System. Category 1 hazards are those that, if untreated, are likely to require medical attention within 12 months (e.g. doctor or hospital visit).

14. The consequences of unsafe housing are stark. Living in hazardous conditions can have a significant impact on the health, safety and wellbeing of residents. For example, damp, cold and overcrowded homes can affect mental wellbeing throughout life.[6] Citizens Advice research[7] found:
    - 40% of PRS tenants surveyed say they have felt stressed as a result of damp, mould and excessive cold.
    - 35% said it made them feel anxious.
    - 12% said it made them spend less time at home.
    - 8% said it had made their respiratory illness worse.

15. And we know the disparity in health between those in poor quality and good quality homes has widened in recent years. In 2013, the proportion of households with a member suffering a health condition was similar in damp (33%) and non-damp (32%) homes. By 2023 those in damp homes were significantly more likely to suffer from long term health conditions (47% vs 39%).[8]

16. Studies have also shown that children made sick by damp and cold conditions at home miss more days of school than their peers and it is also thought that poor-quality housing can lead to lower educational outcomes.[9] Research from the charity Shelter found that 88% of teachers report they have seen poor housing or homelessness result in children not being able to keep up with the curriculum, and 80% report an impact on children's performance in assessments and exams.[10] As the tragic death of Awaab Ishak demonstrates, the result of untreated dangerous conditions in the home can even be fatal in the worst cases.

17. Additionally, low-quality housing can drive tenants to move more frequently to escape poor conditions. Children in insecure housing experience worse educational

[5] English Housing Survey 2024 to 2025: headline findings on housing quality and energy efficiency
[6] Health Equity in England: The Marmot Review 10 Years On (2020)
[7] Damp, cold and full of mould: the reality of housing in the private rented sector

[8] EHS Health and Housing factsheet English Housing Survey 2023 to 2024: health and housing - fact sheet - GOV.UK
[9] Fuel Poverty, Cold Homes and Health Inequalities in the UK - IHE
[10] Shelter, Briefing: The impact of homelessness and bad housing on children's education (2020)

outcomes, reduced levels of teacher commitment, and more disrupted friendship groups than other children. This is exacerbated for children from low-income households in insecure housing.[11] A study by the Royal Society of Arts found that results in English and Maths for children dropped 12% following one move within the school year, 17% for two moves and 25% for three moves.[12]

18. The health impacts of unsafe housing add up to a significant cost for our public healthcare. The Building Research Establishment (BRE) estimates that just the most serious 'Category 1' hazards (as defined by the Housing Health & Safety Rating System) in homes across all tenures cost the NHS £1.0 billion per year. In the private rented sector, 619,000 (13%) homes had a Category 1 hazard in 2019, with the risk of illness or injury posed by these hazards costing to the NHS of around £290m per year.[13]

19. Poor-quality housing costs also harm economic productivity if tenants are too unwell to work. 21% of private tenants reported that health impacts of their housing were negatively affecting their work.[14] Health problems caused by poor housing conditions can increase absences and unemployment, as people are left unable to work as they recuperate from illnesses or injuries caused by accidents or hazards in their homes. For example, every Category 1 hazard results in an estimated cost of lost economic output of £126 per year as a result of injuries.[15]

20. Specifically in relation to accommodation occupied under licence, the consultation seeks input on extending Awaab's Law to three types of accommodation: temporary accommodation, supported housing and care leaver accommodation. We do not have specific data on the quality of housing occupied under licence in these three sectors. However, there are reports that some accommodation in these sectors is of poor quality, including some homes that are unsafe for residents.

21. There is data indicating that 24% of households living in temporary or emergency accommodation were in non-decent homes and 11% were in homes with a Category 1 hazard.[16] However, this does not include a specific breakdown of the quality of temporary accommodation occupied under licence. Additionally, as the sample size of temporary and emergency accommodation properties in the EHS is relatively small, apparent differences between the quality of homes for those who live in temporary or emergency accommodation versus other renters are statistically insignificant.

*Market failures*

22. While the majority of landlords aim to act responsibly, market forces do not provide the right incentives to discourage landlords and licensors from providing low-quality homes. Therefore, there is a clear need for government intervention.

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[11] The Children's Society, Moving, Always Moving: The normalisation of housing insecurity among children in low income households in England (2022)

[12] Royal Society of Arts, Between the Cracks (2013)

[13] Building Research Establishment, 2023: The cost of poor housing in England by tenure

[14] YouGov survey for Shelter, April 2021.

[15] MHCLG analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents.

[16] EHS homelessness, hidden households and temporary accommodation fact sheet: English Housing Survey 2024 to 2025: homelessness, hidden households and temporary accommodation - fact sheet - GOV.UK

23. Whilst landlords and licensors are responsible for the safety and quality of the property, the costs of poor quality fall on tenants and society such as ill health, lower productivity and moving house more frequently. This means there are **misaligned incentives** in the case of landlords/licensors and residents, where landlords are the main determiners of the safety of a property but do not bear the cost of living in unsafe conditions, unlike residents. Relatedly, there are also **negative externalities** as third parties (in this case society) are also negatively impacted by the provision of unsafe housing.

24. In theory, unsafe properties will be valued less by tenants which should be reflected in the rents landlords are able to charge for the home. This would mean landlords indirectly face the costs of providing poor-quality housing which would resolve the market failure. However, there are further market failures which mean this doesn't happen in practice.

25. Firstly, there is **unequal information** between landlords, tenants and letting agents. This is because landlords typically possess more information about a property than a tenant. Tenants may not be aware of the hazards posed by a property before moving in, nor do they know in advance how landlords or agents will respond when problems arise. This means tenants are not always able to make an informed decision about whether to move into the property and the level of rent they are willing to pay.

26. This is exacerbated by the **power imbalance** between landlords and tenants. Wider reforms to the PRS, including the abolition of 'no-fault' section 21 evictions and the introduction of a new Ombudsman, will help tenants to demand action from their landlords on issues such as damp and mould without the fear of retaliatory evictions or unfair rent increases. However, there are fewer properties being marketed than pre pandemic,[17] and there are still, on average, 5.6 enquiries per rental property.[18] This reduced competition among landlords and increased competition between tenants limits tenants' bargaining power and their ability to push for home improvements.

27. If the Government does not take an effective approach to applying Awaab's Law to private rented sector tenancies and relevant types of accommodation occupied under licence, significant health and safety hazards in these homes will not be tackled as quickly by landlords and licensors. This will mean that residents have to endure dangerously unsafe conditions in their homes for longer, and potentially even for months or years.

*Current legislation*

28. Existing legislation does not set any specific timescales within which a private rented sector landlord must act when they become aware of a hazard in a home they are renting out. Landlords are required to carry out repairs within a reasonable amount of time once they have been notified of the problem, but what is 'reasonable' will depend on the factors of the individual case. If there was a dispute between a tenant and landlord about whether repair timescales were reasonable, this would ultimately be a matter to be determined by the court. There are also no specific legal timescales within which licensors must address hazardous conditions.

[17] Rental Market Report: June 2026 - Zoopla
[18] Rightmove Rental Trends Tracker Q1 2026

29. The current framework can therefore make it difficult for tenants and landlords in the private rented sector and licensees and licensors of accommodation occupied under licence to understand how quickly investigations and repairs must be actioned to protect residents from health or safety risks in their homes. Awaab's Law seeks to address this by:
    a) setting clear legal requirements ensuring that private landlords and licensors of relevant types of accommodation occupied under licence take quick and appropriate action in response to reports of hazards in their properties
    b) making it easier for tenants/licensees to understand their rights in relation to repairs and to challenge their landlords/licensors if they fail to comply with these requirements

30. The overall strategic aim of this policy is to protect renters from having to live in unsafe housing conditions. Awaab's Law currently protects those living in social housing tenancies by requiring that social landlords take prompt and appropriate action to address hazards in the homes that they let out. The problem under consideration is how best to achieve our aim by extending these protections to protect a wider cohort of renters from having to live in unsafe housing conditions. The key components of this problem are: a) what specific Awaab's Law requirements should be set for the private landlords letting out properties under tenancies; and b) whether Awaab's Law should also apply to any types of accommodation occupied under licence and, if so, what specific Awaab's Law requirements should be set for the licensors of such accommodation.

31. Awaab's Law is being implemented in the social rented sector in phases. To make sure that the policy works effectively, the government is taking a 'test and learn' approach by evaluating the impact of each phase and implementing any lessons learned between phases. We will also take account of these 'test and learn' findings to inform final policy decisions on the approach to extending Awaab's Law to private rented sector tenancies and relevant types of accommodation occupied under licence.

# 3. SMART objectives for intervention

32. We have set out below the intended outcomes of each of our objectives and the indicative evaluation criteria. To note, some elements of our approach to evaluation will depend on the detail of policy design and timescales for implementation which are the subject of this consultation. These will be refined and updated in the Final Stage Impact Assessment ahead of implementation. Our objectives will contribute to the government delivery of its manifesto, as this included commitments to decisively raise standards in the private rented sector and extend 'Awaab's Law' to privately rented homes.

| **1. Fewer unsafe homes** |
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| *Outcome:* To reduce the prevalence of significant health and safety hazards in rented homes and ensure that, when such hazards do arise, they are remedied promptly and effectively<br><br>*Indicative evaluation criteria:*<br>• Reduction in the proportion of privately rented homes containing Category 1 hazards. This is currently 10% (English Housing Survey, 2024-2025).<br>• Reduction in proportion of households in the private rented sector living with damp. This is currently 10% (English Housing Survey, 2024-2025). |
| **2. Fewer tenants with poor health conditions linked to housing** |
| *Outcome:* Improved health and wellbeing for residents due to a reduction in the negative health outcomes associated with living in hazardous conditions<br><br>*Indicative evaluation criteria:*<br>• There will be challenges in isolating the impacts of Awaab's Law on tenant health and wellbeing, so further work will be required to consider how best to evaluate success in achieving this outcome. |
| **3. Culture change in dealing with repairs** |
| *Outcome:* Culture change where landlords and licensors take a proactive approach to ensuring properties are safe and engaging residents on repair works<br><br>*Indicative evaluation criteria:*<br>• Increase in tenant satisfaction with repairs and maintenance provided by their landlord. Currently 70% of private rented sector households are satisfied (English Housing Survey, 2022-2023).<br>• Increase in tenant satisfaction with housing services provided by their landlord. Currently 76% of private rented sector households are satisfied (English Housing Survey, 2022-2023).<br>• Tenants feel more empowered to raise safety issues with their landlords and to challenge when they fail to meet their requirements. Further work will be required to consider how best to evaluate success under this criterion. |

# 4. Description of proposed intervention and explanation of the logical change process whereby this achieves SMART objectives

33. Awaab's Law introduces an implied term in tenancies of privately rented homes and types of accommodation occupied under licence specified in regulations. This term will require that landlords and licensors comply with Awaab's Law requirements set in regulations. This aligns with the approach taken in applying Awaab's Law to social housing tenancies.

34. The proposed intervention is therefore to make regulations that will specify what action landlords and licensors of certain types of relevant accommodation will have to take in respect of hazards in the properties they let out – for example, requiring them to carrying out investigations of potential hazards, undertake repairs to make the hazards safe and, if required, carry out any further preventative works within specified timescales. The exact detail of the Awaab's Law requirements that will apply to private rented sector tenancies and types of accommodation occupied under licence are the subject of the consultation.

35. We envisage that this approach will achieve the objectives set out above by:
    a) Setting clear legal requirements on landlords and licensors about how they must respond to hazards in their properties – for example, timescales for investigating hazards and carrying out repairs
    b) Making it easier for tenants and licensees to understand their rights in relation to repairs in their homes and enabling them to challenge their landlords/licensors if they fail to meet their legal obligations

36. MHCLG has been working on a Theory of Change for the reforms to the private rented sector that are being delivered through the Renters' Rights Act 2025, including Awaab's Law. This was initially developed during the passage of the Bill through Parliament and will continue to be updated and iterated to support implementation and evaluation the impacts of these reforms. A process map for Awaab's Law, based on the latest version of this theory of change, is provided at Annex A.

# 5. Summary of long-list and alternatives

37. As set out above, the decision whether to extend Awaab's Law to private rented sector tenancies is not in scope of the consultation and Impact Assessment. This was legislated for in the Renters' Rights Act 2025, and this decision was therefore already considered in the Impact Assessment for the Act.[19] This consultation and Impact Assessment instead consider how Awaab's Law should be implemented for private rented sector tenancies, what specific requirements should apply, and whether to extend Awaab's Law protections to certain types of accommodation occupied under licence. The consideration of options in relation to these issues is set out in the shortlisted policy options below.

38. However, for context, we have summarised below the consideration of broader options in relation to legislating for Awaab's Law in the Renters' Right Act 2025.

Private rented sector tenancies

39. We considered the following three main options:

- *Option 1 – Do nothing:* Extending Awaab's Law to the private rented sector was a manifesto commitment. Taking no action would have breached this commitment and was therefore not judged to be a viable option. It would also leave the failures within the market unaddressed with negative outcomes for tenants and society as a whole.

- *Option 2 – Legislate to make implied statutory term in PRS tenancies (preferred option):* This was the preferred option and the approach taken in the Renters' Rights Act 2025. This involves primary legislation inserting an implied term into private rented sector tenancies requiring landlords to meet Awaab's Law requirements, which will be set out in regulations. This was assessed to be the best option as it would provide a strong incentive for landlords to deal promptly with hazards in their properties and establish a 'backstop' of legal action that tenants could access if their landlord failed to meet requirements. This option also provided consistency with the approach taken for social housing tenancies.

- *Option 3 – Legislate to give local authorities powers to enforce Awaab's Law requirements in the PRS:* This alternative option would have involved giving local authorities powers to enforce Awaab's Law requirements in privately rented homes. This was judged not to provide the best mechanism for enforcing Awaab's Law and there would be limitations in the effectiveness of this approach in quickly remedying hazards. There were particular challenges in relation to timescales for enforcement, including the potential need to allow time for landlords to appeal enforcement action affecting the extent to which this would allow hazards to be addressed rapidly, and local authority capacity, where resourcing limitations might mean that some tenants are not always able to rely on prompt local authority enforcement to resolve issues.

[19] Renters' Rights Bill Impact Assessment

Accommodation occupied under licence

40. The two main options we considered are:

- *Option 1 – Do nothing:* This option would involve only legislating to apply Awaab's Law to private rented sector tenancies. This was assessed not to be the best option as, if evidence emerges during the consultation process indicating that there is a strong case for applying Awaab's Law to certain types of accommodation occupied under licence, there would be no mechanism for doing so.

- *Option 2 – Legislate to allow Awaab's Law to be extended to accommodation occupied under licensed through secondary legislation (preferred option):* This was the preferred option and the approach taken in the Renters' Rights Act 2025. This involves taking a power in legislation allowing Awaab's Law to be extended to types of accommodation occupied under licence specified in regulations. This was judged to be the best option as we identified certain types of accommodation occupied under licence, particularly supported housing and temporary accommodation, which house particularly vulnerable people. Taking a power to extend Awaab's Law to such accommodation would give the government the ability to take action to protect residents from unsafe housing conditions while allowing us to consult and carry out further analysis of the impacts before making a final decision on whether to make such regulations.

# 6. Description of shortlisted policy options carried forward

41. In relation to how Awaab's Law should be implemented for private rented sector tenancies, the key policy decisions can be grouped into four categories: a) the scope of Awaab's Law; b) investigation of potential hazards; c) action to address hazards; and d) implementation. The table below provides further details on the policy decisions required within each of these categories:

| Category | Policy decisions for applying Awaab's Law to the private rented sector |
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| Scope of Awaab's Law | • What health and safety hazards should be covered<br>• To what extend hazards that a landlord is not responsible for should be covered<br>• How to assess the severity of hazards for the purposes of Awaab's Law<br>• How serious a hazard needs to be for Awaab's Law to apply |
| Investigation of potential hazards | • Timescales for investigation of potential hazards<br>• Who can carry out investigations<br>• What requirements should apply for reporting the outcomes of investigations to tenants |
| Actions to address hazards | • Timescales for making safe significant hazards<br>• Timescales for making safe emergency hazards<br>• What requirements and timescales should apply for any supplementary preventative works<br>• Whether to require landlords to arrange alternative accommodation if it is not possible to make hazards safe within the timescales |
| Implementation | • Whether to limit the extent to which the landlord can contract out responsibility for complying with Awaab's Law requirements<br>• When Awaab's Law should start to apply to private rented sector tenancies<br>• Whether implementation should be phased for different types of hazard |

42. For each of these decisions, the policy options under consideration are: a) to apply the same requirements as those for social landlords under existing regulations; or b) to take a different approach for the private rented sector (for example, setting longer or shorter timescales within which private landlords must take action, not including some requirements that apply to social housing landlords or introducing additional requirements for private landlords that do not apply to social landlords).

43. In relation to accommodation occupied under licence, we are specifically considering the application of Awaab's Law requirements to temporary accommodation, supported housing and care leaver accommodation occupied under licence. Decisions will be required on two main areas: a) whether to apply Awaab's Law to such accommodation types occupied under licence; and b) if so, what Awaab's Law

requirements should apply. The main policy options under consideration for each accommodation type are set out in the table below:

| Application of Awaab's Law | Awaab's Law requirements |
|---|---|
| a) Apply Awaab's Law to all of this type of accommodation occupied under licence<br>b) Apply Awaab's Law to a subset of types of temporary accommodation occupied under licence<br>c) Do not apply Awaab's Law | a) Apply social rented tenancy requirements to licences in the social rented sector and apply private rented tenancy requirements (if different) to licences in the private rented sector<br>b) Apply the same requirements as for social rented tenancies to all<br>c) Apply the same requirements as for private rented tenancies to all<br>d) Modify some requirements for this type of accommodation occupied under licence |

44. We have not yet determined which out of this shortlist of policy options is preferred as this is the subject of this consultation.

45. We have considered the best approach to consultation to inform final policy decisions and consider that the best approach will be to conduct a broad consultation using illustrative propositions. Further detail of this approach and the alternative approaches we also considered are set out below:

- *Approach 1 – Open call for evidence with no specific policy proposals:* This would involve seeking input on the principles of extending Awaab's Law to the PRS and types of accommodation occupied under licence, but not setting out any specific policy options. This was judged to be a less effective way of gathering evidence to inform further policy development and was therefore not the preferred option.

- *Approach 2 – Broad consultation using an illustrative proposition (preferred option):* This was the preferred option and the approach we have taken in this consultation. For private rented sector tenancies, this involves setting out social housing Awaab's Law requirements as a starting point and seeking views on if/how the elements of these will need to be modified for the private rented sector. For accommodation occupied under licence, this involves setting out an initial proposal that Awaab's Law should apply to all temporary accommodation and supported housing, but seeking views on potential impacts and challenges. This was assessed to be the most effective way to progress policy development as framing the consultation around these initial proposals would help gather clear input and views from respondents, allowing us to build our evidence base before finalising the details of the policy.

- *Approach 3 – Narrow consultation on specific detailed policy proposals:* This would involve setting out and testing a specific detailed proposition in relation to Awaab's Law requirements in the private rented sector and the type of accommodation occupied under licence that should be covered by Awaab's Law. This was not judged to be the best option as further evidence and input from stakeholder would be required before we could develop clear and robust policy proposals.

# 7. Regulatory scorecard for preferred option

Please provide quantitative estimates and qualitative descriptions of impacts under each heading in the following sections. The right hand column for directional ratings should be based on the description of impact and the sign of the suggested indicator (NPV, NPSV, all impacts): **Green** – positive impact, **red** – negative impact, **amber** – neutral, negligible, or no impact, **blue** – uncertain impact. Please use the colours in the examples shown below, as these are suitable accessible colours. Please see BRF guidance technical annex for definitions.

**Part A: Overall and stakeholder impacts**

| **(1) Overall impacts on total welfare** | | **Directional rating**<br><br>**Note: Below are examples only** |
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| **Description of overall expected impact** | The additional impact brought about by Awaab's Law relates to the speed at which hazards need to be repaired, rather than fixing the hazard itself.<br><br>Costs are expected to fall primarily on landlords/licensors and include familiarisation costs, the cost of speeding up repairs if landlords are not currently compliant with the new requirements, and the cost of communicating with tenants about repair work.<br><br>We expect Awaab's Law will lead to benefits for tenants/licensees, landlords/licensors and society, including health and wellbeing benefits and fewer void periods. However, these benefits have not been monetised due to data limitations. | **Uncertain**<br><br>**Based on all impacts (incl. non-monetised)** |
| **Monetised impacts** | Total NPSV: -£422.4m (ranging from -£291.5m to -£553.4m) in 2025 prices, 2028 present value, calculated over a 10-year appraisal period<br><br>This equates to a net cost per household per year of £8.17 (ranging from £5.64 to £10.69) | **Negative**<br><br>**Based on likely £NPSV** |
| **Non-monetised impacts** | We expect the quicker fixing of serious hazards will positively impact the health, wellbeing, productivity, educational outcomes of tenants/licensees, and provide savings to the NHS.<br><br>We cannot monetise these benefits, as we do not have sufficient data to estimate either how much faster hazards will be repaired, nor which hazards will need to be repaired as that is dependent on the characteristics of the resident within each property. | **Positive** |

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| | However, it would only require 0.6% more PRS households to be satisfied with repairs and maintenance carried out by their landlord for Awaab's Law to deliver a net positive NPSV.<br><br>Some costs may be passed through to tenants in the form of higher rents. We do not have sufficient evidence to accurately model this but we do not expect the full level of costs to be passed through to tenants. Even if that did happen, it would lead to only a £8.17 average increase in rents per year (0.07% increase).More details can be found in section '*Wider Impacts*' | |
| **Any significant or adverse distributional impacts?** | The costs of the new requirements fall primarily on landlords/licensors, whereas the benefits are expected to accrue primarily to tenants/licensees who generally have lower levels of income than landlords. In particular, we expect tenants with health conditions to most benefit from the reforms. | **Uncertain** |

| **(2) Expected impacts on businesses** | | |
|---|---|---|
| **Description of overall business impact** | The main costs are expected to fall on private landlords and owners of licensed accommodation. They include landlords/licensors familiarising themselves with the new requirements, fixing properties quicker so they are compliant with the new requirements, and communicating with tenants about repairs.<br><br>Benefits to landlords include fewer void periods thanks to tenants moving less frequently to avoid poor-quality properties.<br><br>More generally, Awaab's Law is expected to improve tenant health and wellbeing which will have indirect benefits for businesses in terms of greater productivity and fewer sick days. | **Negative** |
| **Monetised impacts** | Business NPV: -£422.4m (-£291.5m to -£553.4m)<br>Approx net financial cost to business EANDCB: £42.2m<br><br>This equates to a cost to landlords of £8.17 per property per year (ranging from £5.64 to £10.69)<br><br>This does not account for any pass through of landlord costs<br>to tenants. Landlords may, in some instances, attempt to pass through some of the costs of the | **Negative**<br><br>**Based on likely business £NPV** |

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|---|---|---|
| | regulation to tenants. The extent to which this will happen is dependent on market conditions and housing affordability, however at an aggregate level we do not expect 100% cost pass-through.<br><br>Alternatively, landlords may decide to leave the sector as a result of increased costs. However, we think the landlords most affected by the new requirements are those offering the poorest-quality accommodation. Their potential exit from the market could create opportunities for more professional landlords to enter or expand, thereby improving overall standards in the sector. | |
| **Non-monetised impacts** | Landlords may face additional costs as a result of having to undertake repair work quicker if they're not currently meeting the requirements set out under Awaab's Law. This depends on the behavioural responses of the landlords, and on the short-term and long-term dynamics of the market for non-labour and labour repair costs.<br><br>However, tenants may be less likely to move thanks to hazards being fixed quicker which will result in fewer void periods for landlords and therefore higher rental income. | **Uncertain** |
| **Any significant or adverse distributional impacts?** | We think the majority of costs will fall on Small and Medium Sized Businesses (SMBs) as 83% of private landlords own fewer than five properties[20] Further breakdown can be found in section '*Impact on small and micro businesses* '.<br><br>The costs to a landlord of complying with the regulations will scale proportionally to the number of properties they own that don't meet the current requirements so in theory there should not be a disproportionately larger burden on smaller landlords compared to larger landlords.<br><br>However, it may be the case that smaller landlords are both more likely to be non-compliant with Awaab's Law and may find it more costly to become compliant as they are less likely to be professionalised and benefit from economies of scale when it comes to fixing properties. | **Uncertain** |

[20] 2024 English Private Landlord Survey

| (3) Expected impacts on households | | |
|---|---|---|
| **Description of overall household impact** | The impact of the reforms is expected to be net beneficial to tenants and occupiers of licenced accommodation.<br><br>Residents are expected to spend less time living in unsafe housing conditions which in turn is expected to lead to health and wellbeing benefits both for tenants/licensees and for society. | **Positive** |
| **Monetised impacts** | We have not been able to monetise any impact on households. | **Neutral**<br><br>**Based on likely household £NPV** |
| **Non-monetised impacts** | There are expected to be significant non-monetised benefits to tenants as a result of Awaab's Law. Households are expected to see improved health and education outcomes due to less illness resulting from poor quality housing. The new requirements are also expected to lead to higher wellbeing and fewer moves.<br><br>Landlords may try to pass some of the costs of the regulations through to rents. If this happens, it would represent a cost to tenants (and a benefit to landlords). We are unable to estimate the degree to which costs will be passed through to rents but we expect it to be less than 100%. | **Positive** |
| **Any significant or adverse distributional impacts?** | We do not have data on the regional distribution or demographics of groups who live in properties that are not currently compliant with Awaab's Law. However, we expect those affected are more likely to be lower income tenants in lower cost properties and/or vulnerable tenants. The nature of the policy means those affected are also more likely to have health conditions that mean they are at greater risk from hazards. Therefore, this group could disproportionately benefit from the measures. | **Positive** |

**Part B: Impacts on wider government priorities**

| Category | Description of impact | Directional rating |
|---|---|---|
| **Business environment:** Does the measure impact on the ease of doing business in the UK? | Given improved housing is expected to lead to better health and wellbeing for tenants, businesses may benefit from greater productivity and fewer sick days.<br><br>We do not expect the measure to significantly impact on ease of doing business in the UK. It may result in a slight increase in market concentration if landlords decide to exit the market but there are currently 2.3 million private landlords, so we would expect the impact to be small. | **Neutral** |
| **International Considerations:** Does the measure support international trade and investment? | The new standard is not expected to directly impact trade. However, there may be a short-term increase in demand for imported building materials needed to remediate properties. | **Neutral** |
| **Natural capital and Decarbonisation:** Does the measure support commitments to improve the environment and decarbonise? | Some of the remediation work required to meet Awaab's Law may lead to reduced energy usage and therefore reduced carbon emissions. We have not been able to monetise this impact but we expect it to be small. | **Supports** |

# 8. Costs and benefits

## Analytical Approach

46. The analysis in this Impact Assessment is based on an appraisal period of 10 years starting from 2028. All figures are in 2025 prices and discounted from the first year of the appraisal period, in line with the Green Book [21]

47. The reform is assessed against a 'Do Nothing' – the counterfactual. In this scenario, the government does not intervene through additional legislative or non-legislative measures to address the market failures stated in section '*Strategic case for proposed regulation*'. We assume the proportion of dwellings with Category 1 hazards would otherwise remain at current levels (10%) over the appraisal period in the absence of intervention, as well as the number of repairs per property each year. The counterfactual is used as the baseline for the cost-benefit analysis.

48. The following analysis assumes the same Awaab's Law requirements are implemented in the private rented sector and licensed accommodation as are currently in force in the social rented sector. We have not monetised the impact of Awaab's Law requirements diverging in the private rented sector compared to the social rented sector given at this stage, we currently don't know what those differences might look like. However, we expect this wouldn't have a significant impact on our headline findings as the types of impacts would likely remain broadly unchanged.

49. Where possible, we have aligned our analytical approach and methodology with those used in the existing Social Rented Sector (SRS) Awaab's Law Final Stage Impact Assessment[22] . However, there remains a significant level of uncertainty underpinning our analysis due to the relative early stage of policy development and lack of available data. Within each section, we have clearly set out the assumptions underpinning the modelled impacts and presented ranges to demonstrate low, central, and high scenarios where there is uncertainty.

*Licensed accommodation*

50. As well as private sector accommodation, we are consulting on whether to extend Awaab's Law protections to certain types of accommodation occupied under licence such as temporary accommodation and supported housing. This could increase costs for providers of these types of housing similar to those listed below for landlords, as well as bring associated benefits to its occupants.

51. However, we do not have data on the number of properties under license who may be affected by this change, nor comprehensive information about their quality or the tenants occupying them. Therefore, we are unable to monetise the impact on this sector at this stage meaning monetised estimates below reflect the impact to the

[21] Gov.UK, The green book appraisal and evaluation in central government (2020)
[22] Awaab's Law Final Stage Impact Assessment

private rented sector only. But the same types of impacts are expected to apply to licensed accommodation too.

## Assumptions

*Size of the PRS*

52. The analysis in this Impact Assessment is underpinned by our estimate of the size of the private rented sector over the 10-year appraisal period. The method used to arrive at this estimate is consistent with the Renters Rights Bill Final Impact Assessment[23] and the Decent Homes Standard Final Impact Assessment.[24]

53. We have used data from the Office for National Statistics (ONS) and the English Housing Survey (EHS) to estimate the size of the private rented sector over the appraisal period. We combine data on the average historic annual growth of the PRS from the EHS with projections on household growth over the appraisal period from ONS giving an assumed long-term annual growth rate of 1.2% in the number of PRS households.

**Table 1: Assumed future size of the PRS**

| Year | PRS households | PRS households growth rate |
|---|---|---|
| 2019-20 | 4,438,000 | -2.5% |
| 2020-21 | 4,434,000 | -0.1% |
| 2021-22 | 4,611,000 | 4.0% |
| 2022-23 | 4,595,000 | -0.4% |
| 2023-24 | 4,657,000 | 1.3% |
| 2024-25 | 4,713,000 | 1.2% |
| 2025 | 4,771,000 | 1.2% |
| 2026 | 4,827,000 | 1.2% |
| 2027 | 4,885,000 | 1.2% |
| 2028 | 4,944,000 | 1.2% |
| 2029 | 5,004,000 | 1.2% |
| 2030 | 5,066,000 | 1.2% |
| 2031 | 5,127,000 | 1.2% |
| 2032 | 5,189,000 | 1.2% |

[23] Renters' Rights Bill Impact Assessment

24 Decent Homes Standard Final Impact Assessment

| | | |
|---|---|---|
| 2033 | 5,251,000 | 1.2% |
| 2034 | 5,315,000 | 1.2% |
| 2035 | 5,378,000 | 1.2% |

54. Projections on the future size of housing tenures and associated number of dwellings are highly uncertain and subject to large confidence intervals. The figures presented in this Impact Assessment are one possible scenario based on the available data – multiple factors influence the growth rate of the sector so, in practice, growth may be faster or slower than set out. A significant change in the size of the PRS would result in changes to total costs. However, the per landlord, or dwelling, cost is unlikely to change.

*Number of landlords*

55. Data from HMRC indicates that there were approximately 2.3 million landlords in England in 2019-20.[25] These data are a snapshot in time and it is not possible to estimate trends in landlord numbers using this dataset. We assume the number of landlords remains constant over the appraisal period, however there is significant uncertainty underpinning this assumption due to lack of data. For example, we may see consolidation within the sector in order to benefit from economies of scale when undertaking remediation work.

*Landlord compliance*

56. The impact of these reforms depends on the degree of compliance by landlords with the relevant proposed legislation. Lower levels of compliance than those assumed in the analysis would reduce the costs of the reforms to business but will also reduce the benefits to tenants and society. PRS landlords who fail to comply will be liable to court claims by their tenants. Non-compliance with legal obligations may also be taken into account by an Ombudsman when determining redress. Section '*Enforcement*' sets out more detail on enforcement plans for the new system.

57. We expect that landlords will seek to comply with the legislation. It is also possible that behavioural changes will start taking place before the reforms are implemented. However, a small minority of landlords may wilfully disregard the legislation, leading to legal action against this group. Analysis by the Ministry of Housing, Communities and Local Government indicates that most landlords are demonstrating good practice with at least 54% of landlords meeting most, if not all, legal requirements. A further 35% of landlords show a mixed level of compliance.[26]

58. We expect measures within the Renters' Rights Act to improve landlords' awareness of requirements, improving compliance and strengthening councils' ability to target enforcement action at the small minority of rogue landlords.

[25] HMRC data released in response to a Parliamentary Question
[26] MHCLG Segmenting private landlord compliance (2022)

59. The costs and benefits, discussed in the following section, have been prepared **assuming full compliance by landlords and other actors affected by the new reforms, as is required by the Better Regulation framework**.

60. Where compliance means fulfilling existing standards, costs and benefits have not been included in the NPSV calculations because these requirements should be accounted for in assessments of previous regulations. For example, landlords already have a responsibility to keep their properties free of Category 1 hazards, to remedy disrepair, and to maintain their properties so they are fit for human habitation. The introduction of the Decent Homes Standard in 2035 will add additional duties for landlords to ensure their properties are of a minimum quality.

61. However, we do expect Awaab's Law to result in increased compliance with existing standards, resulting in further costs and benefits above those included in the main analysis such as increased repair costs as well as further health, wellbeing, fire safety and productivity benefits. More details are set out in section '*Compliance with existing regulations*'.

*Implementation Timings*

62. We are consulting on when Awaab's Law should start to apply to the private rented sector and whether implementation should be phased No decision had been taken yet on the approach and this will be determined following the consultation. For the purposes of this consultation Impact Assessment, it is necessary to make assumptions on the approach to implementation to allow us to model the impacts. We have assumed that Awaab's Law in the private rented sector will be introduced in a phased approach in line with the introduction of Awaab's Law in the social rented sector and that Phase 1 will come into force in 2028. We assume Phase 1 will require private landlords to address all emergency hazards and all damp and mould hazards that present a significant risk of harm to tenants to fixed timeframes with other hazards coming into scope in later phases.

**Table 2: Assumed phasing of Awaab's Law in the private rented sector**

| Phase | Year | Hazards in scope |
|---|---|---|
| 1 | 2028 | • All emergency hazards and<br>• All damp and mould hazards that present a significant risk of harm to tenants to fixed timeframes. |
| 2 | 2029 | • All Phase 1 hazards<br>• The following hazards where they present a significant risk of harm:<br>o excess cold and excess heat<br>o falls associated with baths etc., on level surfaces, on stairs and between levels<br>o structural collapse, and explosions<br>o fire, and electrical hazards<br>o domestic and personal hygiene and food safety |
| 3 | 2030 | • All Phase 1 and Phase 2 hazards<br>• All remaining HHSRS hazards (apart from overcrowding) where they present a significant risk of harm |

**Details of business impacts**

*Familiarisation costs*

63. Landlords will need to take time to familiarise themselves with the new requirements. This is assumed to be a transitory cost in year one of the policy only. We assume it takes landlords 2 hours to familiarise themselves with the new regulation (ranging from 1.5 hours to 2.5 hours). This is line with similar assumptions made when assessing the familiarisation costs for Awaab's Law in the SRS and the introduction of the Decent Homes Standard in the PRS.

64. To monetise the resulting time cost, we have used the average estate agent wage from the Annual Survey of Hours and Earnings (ASHE) as a proxy for the time cost of landlords[27]. This is because it represents the cost of paying an agent to familiarise themselves with Awaab's Law on the landlord's behalf. We have applied an additional 30% to account for non-wage costs.

65. This gives us a familiarisation cost of £37.54 per landlord in present value, discounted terms (ranging from £28.16 to £46.93). Multiplying this by the 2.3m private landlords in England, **we estimate the total familiarisation cost to landlords to be £87.3 million over the 10-year appraisal period**, ranging from £65.5 million to £109.1 million.

*Preparing and posting letters/email*

66. Landlords may be required to provide tenants with some form of communication setting out the details of the repair. Currently, we believe the vast majority of communication about repairs in the PRS is relatively informal, for example, a short text message or email stating when a tradesperson is needed. However, the new requirements may require more formal correspondence so we think more communication will likely take the form of either a letter or email as a result of Awaab's Law.

67. We assume it takes landlords 15 minutes to prepare and send a letter/email in our central case, ranging from 10 minutes to 20 minutes in our low and high scenarios. This is multiplied by the assumed cost of landlord's time (using ASHE estate agent wages as set out above) to get a cost of £4.69 per communication (ranging from £3.13 to £6.26).

68. For communications sent by post, there will be an additional cost of the physical letter and postage. We have estimated that 15% of tenants in the PRS receive communication from their landlord/letting agent via post rather than electronically. This is based on 5.6% of private renters not having internet access at home[28] then uplifted to 15% to account for tenants who do have internet and would still prefer communication via post.

[27] Employee earnings in the UK: 2025

[28] English Housing Survey 2024 to 2025: headline findings on demographics and household resilience

69. We have used the gov.uk notify letter pricing to determine the price of sending letters, applying a 20% uplift for private businesses. We assume communications will be 2 pages in our central scenario ranging from 1 to 3 pages in our low and high scenarios, giving a cost per letter of £0.90 (ranging from £0.86 to £0.96).

70. We expect one piece of communication will need to be sent for every urgent repair landlords need to undertake. Based on survey findings from landlords, we assume a property needs 7 repairs per year (ranging from 4 to10). [29] We then apply data from the 2023 EHS that 50% of faults are classified as requiring an urgent repair in order to calculate the number of urgent repairs per property per year (3.5). Multiplying by this forecast size of the PRS, we estimate, on average, 18 million repairs will be carried out per year that require some form of communication.

71. We believe that communication is already being provided to tenants in some cases, or that the information is already provided in a different format (i.e. verbally). As such we have assumed that only 50% of these communications will be an additional burden to the sector.

72. This means the additional undiscounted cost per property per year of preparing and posting communications is estimated to be £8.37 in our central case. But due to the possible phased introduction of Awaab's Law, landlords will likely not have to prepare and post communications for all hazards from the first year of the appraisal period.

73. We have based the proportion of repairs requiring communication under each phase on the approximate proportion of Category 1 hazards that will be in scope of each phase – see Table 3. The estimated communication cost per property is expected to be £1.01 in 2028, £7.66 in 2029 then the full £8.37 from 2030 onwards.

**Table 3: Assumed phases of Awaab's Law (subject to consultation)**

| Year | Phase | Types of Category 1 hazards in scope* | Possible proportion of Category 1 hazards in scope of Awaab's Law in a given phase |
|---|---|---|---|
| 2028 | 1 | • Damp and mould growth<br>• All emergency hazards** | 12% |
| 2029 | 2 | • Excess cold<br>• Falls on stairs<br>• Falls on the level<br>• Falls between levels<br>• Fire<br>• Electrical problems<br>• Pests (Domestic hygiene)<br>• Structural collapse<br>• Excess heat | 79% |

[29] Towergate Insurance (2025), The Cost of Being a UK Landlord

| | | | |
|---|---|---|---|
| | | • Food safety<br>• Sanitation (Personal hygiene)<br>• Falls – baths<br>• Explosions | |
| 2030 | 3 | • Hot surfaces<br>• Entry by intruders<br>• Lead<br>• Radon<br>• Collision and entrapment<br>• Ergonomics<br>• Carbon monoxide<br>• Noise<br>• Water supply<br>• Uncombusted fuel gas<br>• Lighting | 9% |

*the latest data is based on a system with 29 HHSRS hazards. However reforms to the HHSRS system are modernising how residential property hazards are identified and scored. As a result, the number of hazards has been reduced and combined from 29 to 21.
**we do not have data to assess the proportion of hazards that would count as emergency so have been unable to account for this in our costing profile.

74. We estimate the total cost of preparing letters/emails to be **£335.1 million over the 10 year appraisal period in present value discounted terms,** ranging from £226.1 million to £444.3 million.

75. We assume that part of these costs would fall on letting agents. The latest EPLS survey shows 48% of tenancies are let and/or managed by an agent.[30] This is most likely an underestimate as we are assuming that those landlords who are not part of one of the three deposit protection schemes do not use an agent for either purpose – those incorporated in the 48% are those landlords who registered with the scheme themselves and said they used an agent and all those landlords who did not participate in the survey but had an agent register them in the tenancy deposit protection (TDP) scheme.

76. However, it will most likely be an overestimate of those agents who are actually involved in repairs. Of those landlords whose agents registered them on the TDP scheme we do not know whether they are also involved with making repairs of the property, nor do we know whether those who said they only used agents for 'letting services' use them to also sort repairs. These additional costs to agents might also at some point pass through as costs to landlords through raising agent fees as contracts are renewed, if the additional cost to letting agents are substantial and permanent.

77. Given these uncertainties, we do not monetise the cost to agents but assume a proportion of the costs calculated will fall on them. Regardless, this will simply be a

[30] English Private Landlord Survey 2024: main report - GOV.UK

transfer between letting agents and landlords – the proportion will not affect the final NPSV.

*Cost of quicker repairs*

78. We assume the repairs that are in scope of Awaab's Law will be those PRS landlords are already responsible for addressing under their existing statutory repairing obligations and their duty to maintain homes to be fit for human habitation. Therefore, this Impact Assessment does not count the cost of the actual repairs or the investigation of repairs, but only the additional cost of carrying out those repairs and investigations quicker.

79. Many landlords may already be meeting their obligations to repair hazards sufficiently quickly. For those that aren't, as there are no additional repairs required, and hence no permanent additional demand for repairs, we would not expect to see a permanent upward shift the price for repair workers or non-labour repair costs from the requirements. Even if these requirements incurred a cost, conducting repairs earlier will avoid the worsening of hazards and keep tenants satisfied (and therefore stronger property compliance), which in the longer run can lead to savings in repairs costs.[31]

80. We also think it is unlikely that requiring landlords to carry out work sooner will put short-term pressure on prices after the introduction of the law, or in other periods of high demand. Holding all else equal, some landlords may simultaneously need to hire workers and purchase materials for repairs, temporarily driving up prices and increasing costs for landlords. But we expect this won't be significant at a macroeconomic level and it is uncertain how the market will respond to additional demand, particularly when other wider economic factors may have a greater impact on the construction sector.

81. We have assumed landlords in the PRS will hire external repair workers when required, but possible alternative arrangements can impact the anticipated costs to landlords. A proportion of the PRS is made up by large-scale investors or use letting agents to manage their properties. These businesses may therefore have staff to repair their properties. In these cases, it is possible they would respond by hiring additional permanent staff, so that in any instances of widespread demand for repairs, the new requirements on speed could be met. It may also be possible that these businesses would use additional temporary contractors if required.

82. We think from the English Private Landlord Survey that approximately 5%[32] of the 2.3 million landlords have hired staff. Furthermore, at least 18% of landlords responding to the 2024 EPLS survey say that they use letting agents for management purposes (where the agent will be managing repairs). It is also possible that those who state they use an agent for letting purposes may have the agent involved in repairs.

[31] NRLA: Timely and regular repair checks can save thousands of pounds.
[32] In the 2024 English Private Landlord Survey, 5.7% of landlords said they operated as part of a company, 4.4% that they treat the landlord role as a full-time business and 6.3% that they own 10 properties or more.

83. If these letting agents and larger scale landlords respond to the legislation by hiring additional staff, this will impose a direct cost on these businesses. However, we do not have sufficient qualitative or quantitative evidence to gauge how these larger-scale landlords and letting agents would respond to the legislation.

84. In summary, we are unable to estimate the extent to which repair costs will increase for landlords as a result of the new requirements under Awaab's Law. The impact is dependent on the behavioural responses of the landlords, and on the short-term and long-term dynamics of the market for both non-labour and labour repair costs. This is considered an indirect impact of the reform.

85. Additionally, there may be a second order benefit to tradespeople who receive more for their services so price impact represents a transfer, rather than a true cost.

*Rent pass through*

86. Landlords may attempt to recoup some of the costs of the proposed legislation by increasing rents. The extent to which they are able to do this will be constrained by market factors and tenant affordability – more detail is set out in section '*Wider Impacts*'. This is considered an indirect impact of the legislation.

*Fewer void periods*

87. We expect there to be fewer voluntary household moves as a result of serious hazards being fixed quicker. Tenants may be less likely to move due to poor-quality rented housing which will result in fewer void periods for landlords, i.e. less time when the property is empty between the end of a tenancy and the start of a new one where the landlord receives no rental income. This results in a financial gain to landlords from no longer having vacant properties which do not generate rental income as well as an indirect benefit to society as a result of a more efficient use of the existing housing stock.

88. According to Goodlord, the average void period in the 12 months to April 2026 was 21 days. If a landlord is able to avoid a void period of 21 days as a result of complying with Awaab's Law and charges the median rent in England (£208 per week[33]), they would receive an additional £638 in rental income (2025 prices).

89. Figures from the EHS show that, in the three years to 2019, 1.3% of tenant moves each year were solely due to housing quality issues. However we do not have the data on the proportion of these quality issues that would be addressed by Awaab's Law. Therefore we are unable to quantify the degree to which Awaab's Law will lead to a reduction in household moves and therefore higher income for landlords.

[33] English Housing Survey 2024 to 2025: headline findings on demographics and household resilience - GOV.UK

### Impact on small and micro businesses

90. Most landlords in the PRS would be classified as small and micro businesses (SMBs) as the vast majority of landlords have fewer than 50 employees and a turnover of less than €10m[34]. SMBs are usually defined by the number of employees or level of turnover. 96% of landlords have a total rental income of less than £150,000 per annum and over half (51%) of landlords have a total rental income of less than £20,000[35]. Only the largest institutional investors are likely to exceed the turnover or number of employees to not be classified as an SMB. Only 4% originally became a landlord in order to let property as a full-time business[36].

91. It may be the case that smaller landlords are both more likely to be non-compliant with Awaab's Law and may find it more costly to become compliant as they are less likely to be professionalised/benefit from economies of scale when it comes to fixing properties.

92. However, because such a high proportion of PRS landlords would be classified as small and micro businesses, exempting SMBs would undermine the policy objective to protect occupants from having to live in dangerously unsafe conditions, and would have meant that the benefits of the regulation would not be realised.

### Details of tenant impacts

*Health benefits*

93. The aim of Awaab's Law is to reduce the amount of time tenants have to live with faults that can pose a serious harm. Therefore, we expect the reform could lead to significant health benefits for tenants. For example, the Building Research Establishment (BRE) estimate that Category 1 level damp and mould costs the NHS £9.8m per year, therefore increasing the speed with which issues relating to damp and mould are dealt with will likely result in tenants requiring less healthcare. There will also be additional benefits where high-scoring Category 2 hazards are fixed in a timely manner for tenants with specific health concerns.

94. According to the 2024-25 English Housing Survey, there are an estimated 505,000 unsafe homes with Category 1 hazards in the PRS. If 100% of those hazards are remediated before they cause harm to tenants, the NHS is estimated to see savings of £2.5bn over the 10-year appraisal period. To note, this represents only the savings to the NHS, we expect the overall benefit to tenants specifically to be larger. Also some of this benefit will be down to compliance with existing regulations, rather than solely attributable to the introduction of Awaab's Law.

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[34] The definition of SMBs is available in the BEIS Small and Medium Enterprises (SMEs) Action Plan: 2022-2025 here - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1132723/beis-sme-action-plan-2022-to-2025.pdf

[35] English Private Landlord Survey 2024: main report - GOV.UK

[36] English Private Landlord Survey 2024: main report - GOV.UK

*Wellbeing benefits*

95. By speeding up repairs , we would expect to see an increase in wellbeing for the tenants affected. Simetrica Jacobs research in 2022 found that tenant satisfaction with landlord repairs and maintenance is associated with a 0.433 increase in life satisfaction on the 11-point value scale.[37]. This can be converted directly to WELLBYs using the HMT Wellbeing Appraisal Guidance in which each WELLBY is valued at £13,000 (£10,000 to £16,000, cash terms and undiscounted). This results in an average wellbeing benefit of £6,845 (ranging between £5,266 and £8,425, 2025 prices) per individual per year if an individual becomes satisfied with landlord repairs and maintenance. There are, on average, 1.9 persons over the age of sixteen in each non-decent privately rented home so the total wellbeing benefit to households of this is valued at £12,900 in the central scenario (ranging from £9,923 to £15,877 per household).

96. 21.5% of private renters (935k) report being dissatisfied with repairs and maintenance.[38] Of those, 32% say the main reason for their dissatisfaction is "landlord slow to get things done". Not all of this dissatisfaction will be due to issues in scope of Awaab's Law and data limitations mean we are unable to isolate the impact of Awaab's Law on satisfaction with repairs. Therefore, the wellbeing benefit on tenants is non-monetised.

97. However, to achieve a positive Net Present Social Value, Awaab's Law would only need to result in 0.6 percentage point increase in the number of PRS households who are satisfied with repairs and maintenance on their property, (ranging from 0.4 percentage point increase to 1.1 percentage point increase in our low and high scenario). This equates to 9 percentage point decrease in the number PRS households who are currently dissatisfied with repairs and maintenance *due to* landlords being slow to get things done (ranging from 5 percentage point decrease to 16 percentage point decrease).

*Reduced household moves*

98. As set out in section '*Fewer void periods*', tenants may be less likely to need to move if the quality of their property improves. The reduction in tenant moves will lead to cost savings to tenants. Research from Shelter indicates the average moving cost to tenants is £1,869 per move (2025 prices).[39] Therefore, each avoided undesired or unnecessary move results in significant cost savings to tenants.

99. Figures from the EHS show that, in the three years to 2019, 1.3% of tenant moves each year were solely due to housing quality issues. However, as above, we do not have the data on the proportion of these quality issues would be addressed by Awaab's Law. Therefore we are unable to quantify the degree to which Awaab's Law

[37] Simetrica Jacobs: The Cost of Poor Housing – Valuing the Impact of Housing Conditions on Subjective Wellbeing, March 2022.
[38] English Housing Survey 2022 to 2023: satisfaction and complaints - fact sheet
[39] Shelter, Press release (2017). Over a quarter of a million families forced into debt from moving home so often - Shelter England

will lead to a reduction in household moves and corresponding moving cost savings for tenants.

100. Rents for new lets are, on average, higher than existing lets, as landlords are less likely to raise rents for sitting tenants. The 2024 English Private Landlord Survey found that 58% of landlords increased rent for new tenancies compared to 52% for renewals of existing tenancies. This means we would also expect avoided moves could result in lower rent for tenants though we are unable to monetise this.

101. There is also research exploring the relationship between children who move home often and educational attainment. Some studies suggest that increased home movement by tenants particularly in the PRS has a detrimental effect on children in education as it often requires change in schools. A survey conducted in Norway found that children with more residential moves are more likely to drop out of secondary school, to have a lower adult income and to experience early parenthood.[40] Similarly, one study of UK children found that only 78% of children with at least two residential moves between the ages of 4 and 6 achieved key stage one compared to 87% in those who did not move at that age.[41] Therefore moving less frequently is likely to have a positive non-monetised impact on educational attainment.

*Rent increases*

102. Landlords may attempt to recoup some of the additional costs of meeting the proposed legislation by increasing rents. The extent to which this could occur is determined by the scale of the costs to landlords and tenant affordability – more details can be found in section 'Wider Impacts'. The Renters' Rights Bill will enable tenants to challenge above market rent increases in the First-tier Tribunal.

**Details of public sector impacts**

103. The following section details costs to councils, courts and tribunals. We are undertaking a robust New Burdens Assessment and Justice Impact Test to calculate the net costs of new regulation.

*Familiarisation*

104. Courts will need to familiarise themselves with the proposed regulations so they can enforce the new system. Courts will also need to update relevant guidance although comprehensive national guidance will support this. This national guidance will cover Awaab's Law and incur public sector costs.

*Enforcement*

105. Awaab's Law operates as an 'implied term' in tenancy agreement mandating that the landlord complies with Awaab's Law requirements. If they do not, the tenant will be able to take them to court for a breach of contract. Where the landlord is found to be

[40] Tønnessen et al., Childhood residential mobility and long-term outcomes (2016)
[41] Hutchings et al., Do Children Who Move Home and School Frequently Have Poorer Educational Outcomes in Their Early Years at School? An Anonymised Cohort Study

in breach, the court can order them to do the repairs, pay compensation to the tenant and/or pay some or all of the tenant's legal costs. As an alternative to enforcement through the courts, the tenant could complain to their landlord and, if not satisfied with the response, escalate the complaint to the new Private Rented Sector Landlord Ombudsman once this is established (expected to be in 2028). The Ombudsman will have the power to order landlords to take an action, issue an apology and/or award financial compensation

106. Local housing authorities will not have powers to enforce Awaab's Law. However, Awaab's Law will operate alongside local housing authority enforcement powers in respect of hazards. Local housing authorities have a duty to keep housing conditions in their area under review and, if they consider it appropriate, to inspect properties to assess their conditions. If a local housing authority identifies a hazard in a property using the Housing Health and Safety Rating System, it can take enforcement action against the landlord.

107. In addition, for the most serious issues (Category 1 hazards), the local housing authority can issue an immediate financial penalty of up to £7,000 if the landlord has failed to take reasonably practicable steps to address the issue. If landlords fail to comply with improvement notices or prohibition orders, this will be a criminal offence and the landlord can be prosecuted in the Magistrates' courts or, in the case of non-compliance with an improvement notice, receive a financial penalty as an alternative to prosecution. If a landlord has committed such an offence, the tenant and/or local housing authority can apply to the First-tier Tribunal for a Rent Repayment Order. Landlords will also be able to appeal to the First-tier Tribunal in relation to service of an improvement notice or prohibition order, and in relation to the imposition of a financial penalty. For the worst offenders who have repeatedly or seriously breached the regulations and committed criminal offences under the legislation, the intention is that local housing authorities can seek a Banning Order from the First-tier Tribunal.

*Public health cost savings*

108. Linked to section '*Health benefits*', benefits arising from quicker repairs to hazardous conditions will result in savings for public health spending. The most significant benefits are from rectifying hazards quickly before they cause injury or illness to tenants. This will likely lead to savings to the NHS from fewer patients requiring medical treatment – the average annual healthcare saving per hazard rectified was £599 in 2025 prices.[42] As set out above, if 100% of Category 1 hazards are fixed before they cause harm to tenants, the NHS would save an estimated £2.5bn over the 10-year appraisal period. However, this has not been included in our headline figures as we can't disentangle how much of the benefit could be attributed to Awaab's Law versus compliance with existing regulations.

[42] MHCLG analysis of The Cost of Poor Housing in England, Building Research Establishment (BRE), 2021 Briefing Paper.

## Details of impacts on society

*Improved productivity*

109. Rectifying hazards sooner will reduce the probability of illness or injury to tenants, increasing output and productivity leading to higher economic output for affected households. The Transport Research Laboratory estimated that the average home injury results in a lost output of £6,046 (adjusted to 2025 prices).[43] Given that not every Category 1 hazard will result in an injury to the occupant each year, the costs are scaled by the probability of harm occurring each year – approximately 9% of Category 1 hazards in the PRS will result in injury each year.[44] This results in a lost output cost of £544 per hazard per year in 2025 prices (ranging from £435 to £912 based on the severity of injury). However we do not have sufficient data to estimate the degree to which Awaab's Law will reduce the length of time tenants live with a hazard so we are unable to monetise the impact it will have on productivity. Fewer short notice moves will also make it easier for tenants to hold down stable employment but again, we are unable to monetise this due to data limitations.

*Better educational outcomes*

110. Shelter research from 2018 found that children living in poorer quality housing was associated with lower average reading and maths skills among adolescents.[45] These effects can impact the prospects of the child, with the Department for Education estimating that a one-grade improvement in overall GCSE attainment is associated with an £8,500 increase in present value lifetime earnings.[46] Therefore, we would expect quicker rectification of hazards that pose a significant risk of harm to tenants, especially if these risks are to children, to lead to better educational outcomes. However, the data limitations set out above mean we are unable to monetise this.

## Wider impacts

*Compliance with existing regulations*

111. Landlords are already required to maintain a certain standard of property condition. This includes ensuring the home is free from the most serious hazards (those as a 'Category 1' level) as well as being in a reasonable state of repair. However, figures from the latest English Housing Survey show that 10% of dwellings in the PRS have at least one Category 1 hazard.[47]

112. The introduction of Awaab's Law is likely to drive up compliance with the existing legislation, resulting in further costs and benefits on top of those presented in the main analysis. For example, if Awaab's Law leads to reduction in the overall number of Category 1 hazards (rather than just increasing the speed the ones that are dealt with are dealt with), we would expect to see increased repair costs to landlords but

[43] MHCLG analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents
[44] MHCLG analysis of BRE 2016 The full cost of poor housing
[45] Shelter: The impact of homelessness and bad housing on children's education, 2018.
[46] Hodge et al,. GCSE attainment and lifetime earnings. Government Social Research report, 2021
[47] English Housing Survey 2024 to 2025: headline findings on housing quality and energy efficiency

also further benefits to tenants and society such as a reduction in injuries, savings to the NHS, and improved productivity.

**Impacts on the supply of private rented sector homes**

113. Introducing Awaab's Law in the PRS will represent a potential increase in cost for landlords who own or want to purchase properties which do not meet the new requirements. All else equal, these additional costs could reduce the appeal of supplying PRS properties.

114. However, we are unable to quantify the extent to which Awaab's Law will impact the supply of dwellings in the PRS. This is because supply is determined by a wide range of factors including rent levels, house prices, taxation policy, interest rates, returns on other investment options, wider reforms in the sector and the movements of tenants into homeownership and social rented housing.

115. Additionally, landlords are not one homogenous group – business models vary and so do their motivations for being landlords. The level of costs they face will also differ depending on the characteristics and location of each property. This means each landlord will likely respond differently to the introduction of Awaab's Law.

116. We think they may choose to do one or more of the following:

*Stay in the sector and absorb the costs or increase rents:*

117. As profit maximisers, theory would dictate that landlords would want to pass all of the costs through to tenants in the form of higher rents. This will offset costs to their business and maintain a certain level of profit. However, the likelihood of this happening depends on landlords' rent setting behaviour which in turn is dependent on a number of market factors, the scale of the costs for each landlord, and housing affordability. For example, moderate-scale businesses and investor landlords are more likely to consider cost recovery when it comes to setting rents, whereas smaller landlords are less likely.[48]

118. Whilst a tenant may still prefer one dwelling over another, they can move elsewhere meaning different PRS properties are substitutes for each other. It also has become easier for tenants to move following the introduction of periodic tenancies in the Renters' Right Act, allowing private renters to move with two months' notice. This means PRS landlords are engaging in monopolistic competition with each other and landlords cannot unilaterally set the rent of their property at whatever level they wish.

119. Therefore, the extent to which increased costs can be passed through depends on the proportion of landlords facing higher costs. All landlords will likely face familiarisation costs due to Awaab's Law and most landlords will likely need to provide more communication about repairs so holding all else equal, we expect

[48] English Private Landlord Survey: Segmenting the business models of private landlords

affected landlords to make up a sizeable enough proportion of the sector to be able to pass some form of increased costs through to rents.

120. But landlords will be constrained by whether tenants are able and willing to pay higher rents. In 2024-25, just under a third of private renters (32%) reported finding it either fairly or very difficult to afford their rent.[49] This, coupled with an expected slowdown in real wage growth[50] and significant rises in rents in recent years,[51] means there may be limited scope for tenants to pay higher rent levels.

121. This is most true for areas with the lowest levels of demand and for tenants with lower incomes. In 2023-24, just under three-quarters (71%) of private renters in the lowest two income quintiles spent more than 30% of their income on rent. This represents approximately 1.4 million private renting households across England with low incomes and high housing costs. Nearly all private renters living in London who were in the lowest two income quintiles (96%) spent more than 30% of their income on rent.[52]

122. Additionally, under the Renters' Rights Act there will be new regulations governing rent rises. Landlords will in future only be able to increase rents once a year via the section 13 process and tenants who receive a rent increase that they feel is not representative of the market value will be able to challenge the increase at the First-tier Tribunal. This will improve price signalling and ensure proposed rent increases better reflect the prevailing market rate, preventing gouging under the guise of covering the costs of Awaab's Law.

123. For these reasons, we think it will not be possible for landlords, on average, to pass 100% of the cost of Awaab's Law through to tenants. But given the number of uncertainties listed above, we are unable to give a definitive view on how much rent will be passed onto tenants, if any. Instead, we have set out a number of possible rent pass through scenarios to provide an illustration of possible impacts. The scenarios assume a median weekly rent of £215.23 (2025 prices) and presents figures in discounted terms.[53]

    a. **Scenario 1:** Landlords pass 100% of the monetised costs of complying with Awaab's Law through to tenants. This would result in landlords facing no net increase in costs, whereas tenants would face an average rent increase of £8.17 per year across the appraisal period – this equates to a 0.07% increase in annual rents. We think, for the reasons set out above, this scenario is unlikely.

    b. **Scenario 2:** Landlords pass through 25% of the monetised costs of complying with Awaab's Law through to tenants. This would result in landlords facing a £6.12 increase in costs per property per year, whereas tenants would face an average rent increase of £2.04 per year – this equates to a 0.02% increase in annual rents.

[49] English Housing Survey 2024 to 2025: headline findings on demographics and household resilience
[50] Economic and fiscal outlook – November 2025 - Office for Budget Responsibility
[51] Private rent and house prices, UK: January 2026
[52] English Housing Survey 2023 to 2024: experiences of the 'housing crisis'
[53] English Housing Survey 2024 to 2025: headline findings on demographics and household resilience

c. **Scenario 3:** Landlords pass 10% of the monetised costs of complying with Awaab's Law through to tenants. This would result in landlords facing a £7.35 increase in costs per property per year, whereas tenants would face an average rent increase of £0.82 per year – this equates to a 0.01% increase in annual rents.

d. **Scenario 4**: Landlords are unable or unwilling to pass through the costs to tenants. Landlords would therefore adjust their profit expectations accordingly. Landlords would face an average increase in costs of £8.17 per property per year, while tenants would face no increase in rents.

*Leave the sector:*

124. Landlords may decide it is not profitable enough to remain a landlord as a result of Awaab's Law and decide to exit the market. The likelihood of this is dependent on the price landlords would receive from the sale of their property, any fees/taxes from selling, their profitability following the introduction of Awaab's Law, their wider financial circumstances, and the relative attractiveness of other investments. The same would apply to landlords who are deciding whether to enter the market.

125. If some landlords do decide to sell and those properties are sold to other landlords, supply in the PRS would remain unchanged. This transfer might even be associated with increased efficiency or professionalisation of the sector, particularly if the reforms encourage rogue landlords to leave the sector and then be replaced with responsible landlords.

126. If a proportion of these properties are sold to homeowners, the number of properties in PRS supply would fall, which holding all else equal would lead to an increase in rents. However, each additional home entering owner occupation means an additional first-time buyer taking it up (if not directly, then indirectly at the bottom of a chain). As the majority of first time buyers come from the PRS,[54] the majority of any decrease in supply is offset by a decrease in demand in the PRS so the impact on rents would be broadly net neutral.[55] Yet, Awaab's Law does not apply to properties in the owner-occupied sector so if this does happen, there is less of a guarantee the reform will meet its objectives.

127. As above, a reduction in PRS supply could enable existing landlords to put up their rent levels. On the other hand, an increase in rents may incentivise more landlords to enter the market which could go some way to offset the initial decease in supply and could moderate rent growth. As with rent pass through, this is dependent on how tenants respond to increases in rents. Previous reductions in PRS growth have not been found to increase rents.[56]

[54] English Housing Survey – household moves by tenure (2017-22)
[55] Resolution Foundation (2024) "Through the Roof – recent trends in rental price growth" finds that a 1% decrease in PRS supply, once the decrease in demand is accounted for, equates to only a 0.15% decrease relative to demand (with that residual due to owners tending to occupy floorspace less densely than renters).
[56] Joseph Rowntree Foundation (2025) "Rebalancing the housing market through tax reform"

128. In recent years, a sizable proportion of landlords have stated that they intend to sell some/all of their properties in a range of surveys such as the English Private Landlord Survey[57] and the TDS Voice of the Landlord Survey.[58] Among landlords in the English Private Landlord Survey who said they planned to decrease their portfolio, 44% said it was due to forthcoming legislative changes.

129. But there are lots of factors that affect landlords' decision to stay or exit the market. For example, there have recently been other significant reforms to the private rented sector, such as the implementation of Phase 1 of the Renters' Rights Bill in May 2026 and haven't seen signs of many landlords leaving the sector so far. The number of properties available to rent on Rightmove and Zoopla continues to increase year on year and UK Finance report growth in both new buy-to-let mortgage activity and buy-to-let remortgages.[59,60]

[57] English Private Landlord Survey 2024: main report
[58] The Voice Of The Landlord Survey | TDS Charitable Foundation
[59] Rental-Trends-Tracker-Q1-2026-1.pdf
[60] Rental Market Report: March 2026 - Zoopla

# 9. Monitoring and evaluation of preferred option

130. We are conducting a robust evaluation of the Renters' Rights Act, and have commissioned Verian to carry out the first phase of this work. Reports will be published two and five years after implementation, in line with commitments made in the Bill's Impact Assessment to publish findings.

131. Our approach builds on the Department's existing long-term housing sector monitoring work, and we will conduct our process, impact, and value for money evaluation in line with the Department's published Evaluation Strategy.

132. We are making use of a range of new and existing data to measure the impact of our reforms, including the results of the English Housing Survey, and data from trusted stakeholders including local councils. We are also conducting surveys, interviews and focus groups with our stakeholders, including with tenants, landlords and local councils.

133. Alongside this, we will consider whether any specific further monitoring and evaluations are required in relation to extending Awaab's Law ahead of making regulations.

# Declaration

Department: Ministry of Housing, Communities and Local Government

Contact details for enquiries:

awaabslawconsultation@Communities.gov.uk

Senior responsible officer:

Rt Hon Matthew Pennycook MP, Minister of State for Housing and Planning

I have read the Options Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed:

Date: 8 October 2026

# Annex A

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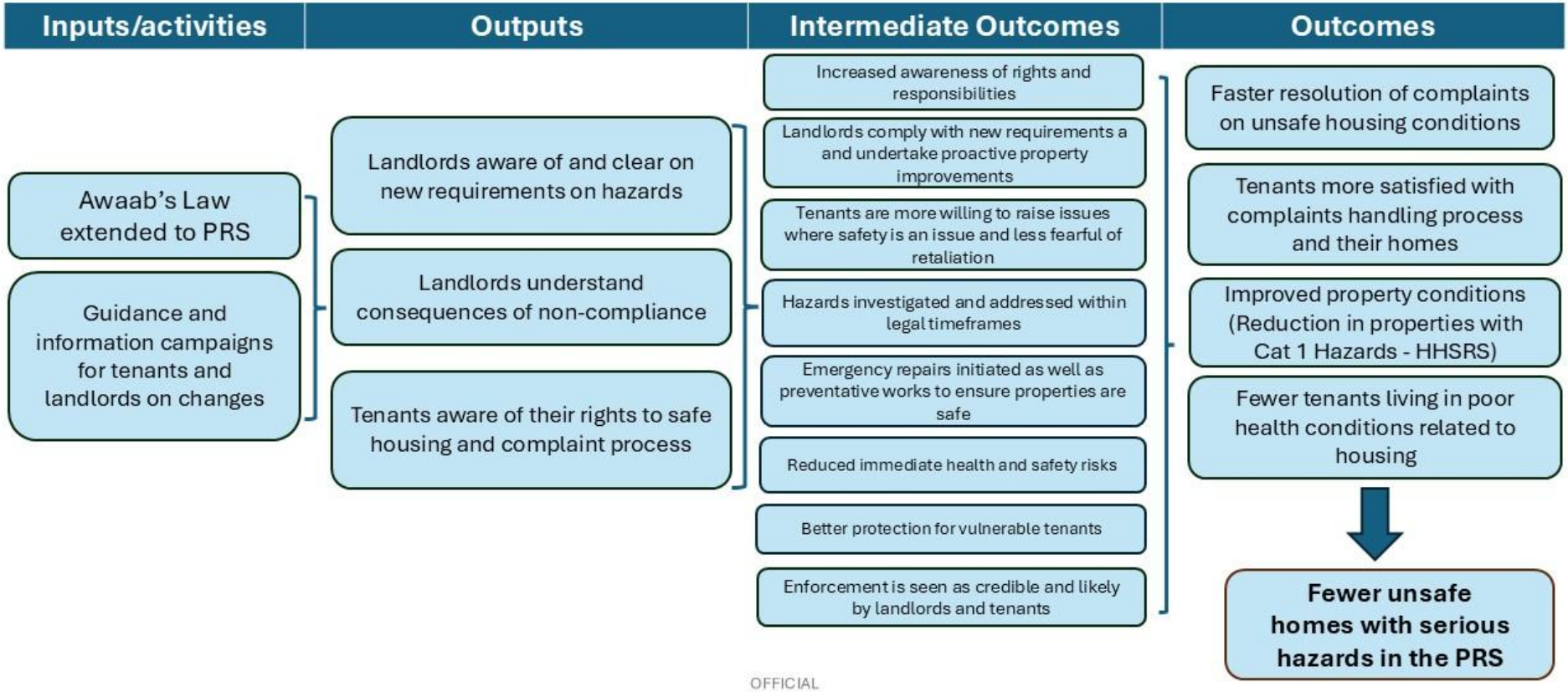
## Theory of change: Awaab's Law

Investigating and fixing serious hazards

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