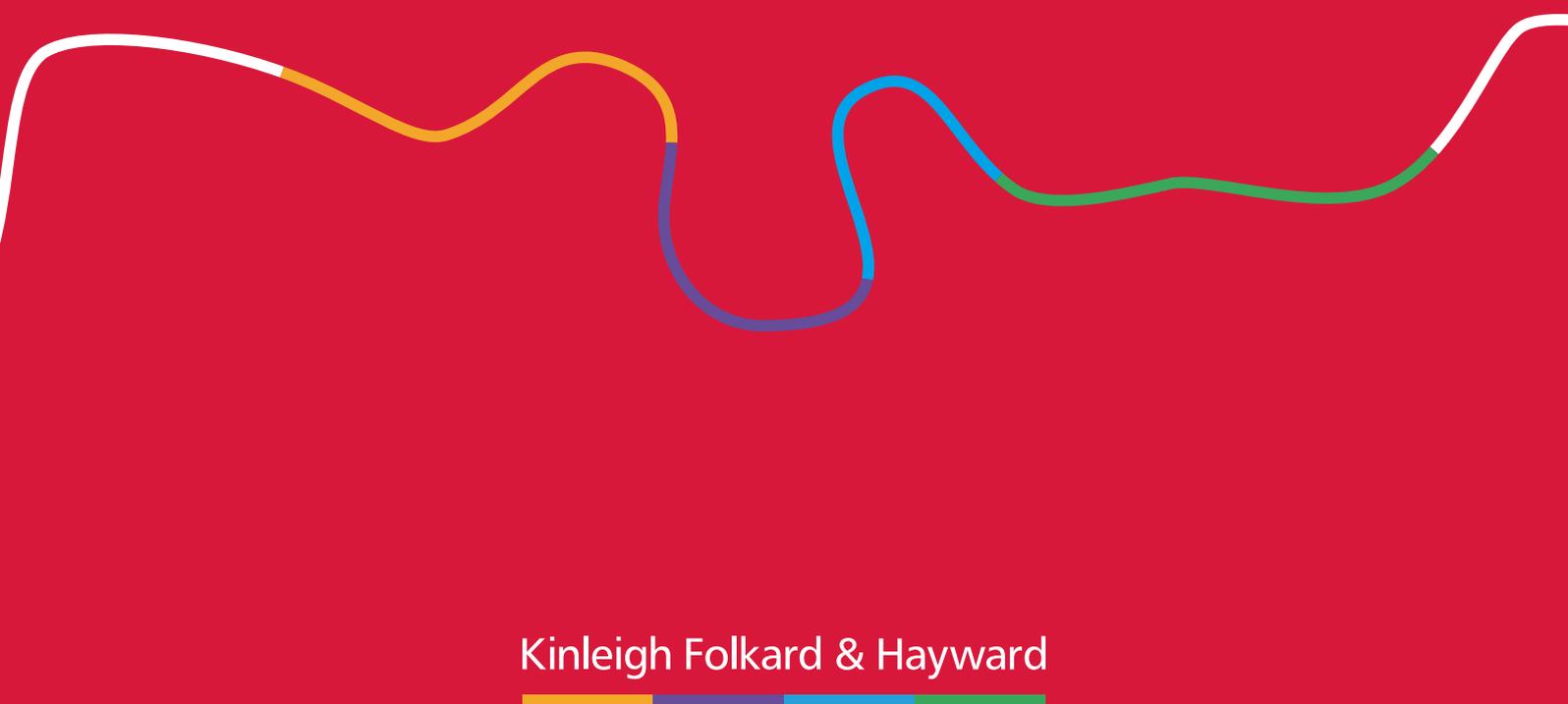


Understanding the Renters' Rights Bill

What it means for landlords
and how we can help

Kinleigh Folkard & Hayward

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The Renters' Rights Bill

The Renters' Rights Bill, expected to pass into law in summer this year, is set to reshape the private rental sector. While some of the reforms may initially seem challenging, and despite the negative coverage in the press, they provide legislative clarity and potential opportunities for landlords to refine their investment strategies.

These include giving landlords more straightforward regulation and clearer possession grounds whilst also enhancing tenant security, amongst other changes.

Here's an overview of the anticipated key changes, our view on each one, and how we are here to support you every step of the way.

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The key changes explained

Abolition of Section 21 notices

Section 21 notices, often used for “no-fault evictions”, will be abolished. Instead, landlords will need to use specified grounds under Section 8 of the Housing Act to regain possession. There are 25 mandatory grounds i.e. if you go to court for these reasons the judge must award possession, and 11 discretionary grounds. Mandatory reasons include if a landlord wants to sell their property, serious rent arrears, or if they or a close family member wish to move back in. Discretionary grounds refer to provisions for anti-social behaviour, lesser rent arrears, and damage to the property, amongst others.

Our view:

While this is a big shift, landlords should feel reassured that the updated grounds for possession cover all common reasons for needing to reclaim a property. Recent insights from the English Housing Survey reports that only 0.03% of tenancies end using Section 21, and around 65% of the notices we issue already align with these grounds.

How we help:

We'll guide you through using these new processes effectively. If you plan to sell or move back in, we'll ensure your notice is served correctly and is compliant with new rules, minimising delays or disputes.

End of fixed-term tenancies

Fixed-term tenancies will no longer exist, meaning tenants can give notice at any time after moving in, provided they offer two months' notice. Landlords cannot issue notices during the first 12 months of a tenancy.

Our view:

While this change increases flexibility for tenants, landlords should take comfort in knowing that the average tenancy in the UK lasts 20 months. Short tenancies remain uncommon as most tenants seek stability, so it's unlikely for this to have a negative effect.

How we help:

Void periods are often a source of concern for landlords. We'll manage tenant relationships proactively to encourage longer stays, and ensuring your rental income remains steady.



Rent arrears

Whilst the process for gaining possession if the tenant falls into rent arrears isn't changing, the amount of arrears that the tenant needs to be in to start possession will increase from 2 to 3 months.

Our view:

Landlords should be reassured that less than 1% of our tenancies have rent that is more than 90 days overdue, however we recommend landlords consider taking out insurance to cover them for any lost rent.

How we help:

Landlords with our Rent and Legal Protection (RLP) are insured for any lost income due to rent arrears and covered for all legal costs to regain possession.

Allowing pets

Landlords can no longer unreasonably refuse requests for tenants to have pets. While this might raise concerns, landlords can request insurance to cover potential damages caused by pets. Tenants will be required to make a written request for pets, and landlords will have a period of time to accept the request or state their reason for declining.

Our view:

Both tenants and landlords should welcome this change, making properties more appealing to a wider audience. Reasonable refusals (e.g., lease restrictions) remain valid, and insurance solutions offer peace of mind.

How we help:

We'll help you navigate these requests, from sourcing suitable insurance policies to communicating with tenants effectively about terms and conditions.



Ban on benefit discrimination

The bill will prohibit blanket bans on renting to families with children or those claiming benefits. All prospective tenants must still meet standard referencing criteria to secure a tenancy.

Our view:

This creates more inclusivity, without compromising the screening process. Landlords can continue to assess tenants based on their ability to meet rent and other requirements.

How we help:

Our thorough tenant referencing ensures you only let to reliable tenants.

Membership of an ombudsman scheme

Landlords must join an ombudsman scheme, ensuring transparency and accountability.

Our view:

While the details remain unclear, landlords using a managed service are likely to meet this requirement through their agent's membership.

How we help:

Whilst the details of the scheme are yet to be finalised, our managed services will assist you with all compliance requirements.



Bidding wars and rent in advance

The bill bans bidding wars and limits rent in advance payments to one month. Properties must be marketed at a fixed rent, and tenants cannot be asked to bid above the listed price.

Our view:

The market will naturally adjust to these provisions, with rents set at an optimised level to reflect demand and property value.

How we help:

We'll ensure your property is marketed competitively while adhering to these new rules.

Awaab's Law

In line with the social housing sector, private landlords will now be required to address reported hazards, such as mould, within stricter timeframes: 14 days to investigate and 7 days to fix any issues as well as 24 hours to make emergency repairs.

Our view:

This change ensures high standards for housing quality. If landlords already maintain their properties responsibly, this should have minimal impact.

How we help:

Our regular property inspections and the use of Fixflo, our 24 hour reporting system by tenants, means prompt maintenance management, ensuring your property remains compliant, protecting both tenants and your investment.

Working together for success

These changes may feel like a lot to navigate, but you're not alone. With our expert knowledge, tailored support, and fully managed services, we'll help you adapt seamlessly. Whether it's understanding new legal requirements or maximising your rental income, at KFH, we're here to make your landlord journey smoother and more rewarding.



Ready to future-proof your rental portfolio?

Contact us today to learn how we can
help you thrive under the Renters' Rights Bill

kfh.co.uk/branches

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