

MAIN CHANGES INTRODUCED BY THE “RENTERS (REFORM) BILL” IN TERMS OF RESIDENTIAL TENANCY: IS IT AN EFFECTIVE PROTECTION FOR TENANTS?*

“Kiracılar (Reform) Tasarısı” ile Konut Kiracılığı Açısından Getirilen Temel Değişiklikler: Kiracılar İçin Etkili Bir Koruma mı?

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ABSTRACT

Rent is defined as a contract whereby a tenant occupies and gains a legal interest in property particularly for a specified period, in return for a legal benefit which is usually payment of the rent. In this context, residential tenancy is a significant part of rental law, as well. In England and Wales, residential tenancies are currently regulated under the Housing Act 1988. However, a new bill, which is named as “Renters (Reform) Bill”, was introduced in the House of Commons on the date of 17 May 2023. This will be the biggest change in the field of rent law since the Housing Act 1988. For this reason, it might be meaningful to examine main changes introduced by the Bill. Within this framework, decent homes standard, restriction of assured tenancies and abolition of assured shorthold tenancies, abolition of “no fault” evictions, new termination grounds and notice periods for landlords, rent increases, request of the tenant to keep a pet, duties of landlords related to tenancy, dispute resolution by the ombudsman and enforcement, the database of local councils against landlords, and other changes effect residential tenancy are considered as fundamental changes in this paper.

Keywords: Rent Law, Renters (Reform) Bill, Residential Tenancy, Landlord, Tenant.

ÖZET

Kira, kiracının, genellikle kira bedelinin ödenmesi olan hukuki bir menfaat karşılığında, özellikle belirli bir süre için kira konusunun kullanımı ile hukuki menfaat elde ettiği bir sözleşme olarak tanımlanmaktadır. Bu bağlamda, konut kiracılığı da kira hukukunun önemli bir bölümünü oluşturmaktadır. İngiltere ve Galler’de konut kiracılığı şu anda yürürlükte olan 1988 Konut Kanunu kapsamında

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düzenlenmektedir. Ancak, 17 Mayıs 2023 tarihinde “Kiracılar (Reform) Tasarısı” olarak adlandırılan yeni bir yasa tasarısı Avam Kamarası’na sunulmuştur. Bu tasarı, 1988 Konut Kanunu’ndan bu yana kira hukuku alanında yapılan en büyük değişiklik olarak değerlendirilmektedir. Şu hâlde, yasa tasarısının getirdiği temel değişiklikleri incelemek anlamlı olacaktır. Bu kapsamda olmak üzere, makul konut standardı, garantili kiracılığın sınırlandırılması ve kısa süreli garantili kiracılığın kaldırılması, “kusursuz” tahliyelerin kaldırılması, kiraya veren için yeni fesih gerekçeleri ve ihbar süreleri, kira artışları, kiracının evcil hayvan bulundurma talebi, kiraya verenin kiraya ilişkin bazı yükümlülükleri, ombudsman tarafından uyuşmazlık çözümü ve icrası, yerel yönetimlerin kiraya verene ilişkin veri tabanları ve konut kiracılığını etkileyen diğer bazı hususlar bu çalışmada temel değişiklikler olarak ele alınmaktadır.

Anahtar Kelimeler: Kira hukuku, Kiracılar (Reform) Tasarısı, Konut kirası, Kiraya veren, Kiracı.

INTRODUCTION

Rent is a contract whereby a tenant occupies and gains a legal interest in property particularly for a specified period, in return for a legal benefit which is usually payment of the rent. Residential tenancy is a significant part of rental law and is an extensive aspect of it. In England and Wales, residential tenancies are currently regulated under the Housing Act 1988¹ (HA 1988) as amended 1996 and 2004 and various amendments on some other Acts. At the beginning of the 20th century, most people in England rented their homes; approximately ninety percent (90%) of all housing was privately rented. This situation changed dramatically because of the housing policy through the century and reached the lowest point only around nine percent (9%) of the population rented their homes in 1992. By the year of 2022, share of tenants among the total population increased to nineteen percent (19%) which means doubled if it is compared with thirty years ago². This result indicates that private tenancy share is increasing steadily and predicted to reach twenty five percent (25%) of the total housing by the year of 2025.

The Housing Act 1988, which is the most comprehensive legislation related to topic, regulates the residential tenancy field currently³. A new bill, which is named as “*Renters (Reform) Bill*”, was introduced in the House of Commons

¹ The Official Home of UK Legislation, ‘Housing Act 1988’ <<https://www.legislation.gov.uk/ukpga/1988/50/contents>> accessed 7 September 2023.

² Statista, ‘Share of tenants among the total population of the United Kingdom (UK) from 1980 to 2022’ <<https://www.statista.com/statistics/544709/tenants-among-population-uk/>> accessed 7 September 2023.

³ The Housing Act 1988 came into force on 15 January 1989. Therefore, tenancies granted on or after 15 January 1989 are governed by the Housing Act 1988. If the tenancy was granted before 15 January 1989, the tenant will be subject to the Rent Act 1977 and may benefit the considerable security of tenure and rent control of it.

on the date of 17 May 2023⁴. This will be the biggest change in the field of rent law since the HA 1988. Therefore, it might be meaningful to attempt to examine main provisions of the Bill and point out the fundamental changes in the field of residential tenancy. Within this framework, decent homes standard, restriction of assured tenancies and abolition of assured shorthold tenancies, abolition of “no fault” evictions, new termination grounds and notice periods for landlords, rent increases, request of the tenant to keep a pet, duties of landlords related to tenancy, dispute resolution by the ombudsman and enforcement, the database of local councils against landlords, and other changes effect residential tenancy are considered in this paper.

A. Decent Homes Standard Policy

The main purpose of the Renters (Reform) Bill is to ensure that private tenants have access to a safe and “*decent home*” and that landlords’ ability to sustain the confidence to repossess their property if they have good reason to do so. This may be expressed as the main policy of the Bill, as well⁵. A decent home means a house which meets the current statutory minimum standard for housing, is in a reasonable state of repair, has reasonably modern facilities and services, and provides a reasonable degree of thermal comfort. These criterions include that a home must be free from serious health and safety hazards such as fall and fire risks and must not be in a disrepair condition. Any home within these requirements must contain adequate facilities and services such as kitchen, bathroom, WC, or external noise insulation, and have an efficient heating system to provide a warm and dry residential area⁶.

According to the English Housing Survey 2021-2022, twenty three percent (23%) of privately rented properties – almost one quarter – do not meet the Decent Homes Standard⁷. The government published reform plans for the

⁴ UK Parliament Parliamentary Bills, ‘Renters (Reform) Bill’ <<https://bills.parliament.uk/bills/3462>> accessed 7 September 2023.

⁵ House of Commons, *Renters (Reform) Bill Explanatory Notes* (Parliamentary 2023), 6.

⁶ Department for Communities and Local Government, *A Decent Home: Definition and Guidance for Implementation June 2006 - Update* (DCLG Publications 2006) 11-12; See. Department for Levelling up, Housing and Communities, ‘A Decent Homes Standard in the Private Rented Sector: Closed Consultation’ (2 September 2022) <<https://www.gov.uk/government/consultations/a-decent-homes-standard-in-the-private-rented-sector-consultation/a-decent-homes-standard-in-the-private-rented-sector-consultation>> accessed 7 September 2023.

⁷ Department for Levelling up, Housing and Communities, ‘English Housing Survey 2021 to 2022: Housing Quality and Condition’ (13 July 2023) 5 <<https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-housing-quality-and-condition/english-housing-survey-2021-to-2022-housing-quality-and-condition>> accessed 7 September 2023. There are higher concentrations of homes that do not meet the Decent Homes Standard in certain parts of the UK with lower productivity such as Yorkshire and the Humber. See.

private rented sector in the White Paper “A Fairer Private Rented Sector” and declared to halve the number non-decent rented homes by the year of 2030 as an official mission⁸. The same policy target has taken place previously in “Levelling Up the United Kingdom” White Paper, as well⁹. Thus, the decent homes standard became influential in the legal policy that dominated the Bill.

B. Restriction of Assured Tenancies and Abolition of Assured Shorthold Tenancies

Tenancy agreements according to the HA 1988 can currently be either fixed-term or periodic. A fixed-term tenancy is a rent which runs for a fixed period, that having been made clear in the terms of the agreement. This fixed term can be for one month, one year, or 99 years for instance. On the other hand, a periodic tenancy is a rent that continues from period to period. These periods may be routinely one week, one month, or one year¹⁰. Periodic tenancies can't be determined by notice to quit, instead of that the landlord must prove one of the grounds for possession¹¹. Clause 1 of the Renters (Reform) Bill inserts a new section 4A to the HA 1988 which comes before section 5. It proposes that all assured tenancies will be periodic in future and can no longer have fixed terms. In this case, any terms of an assured tenancy that try to create a fixed term will have no legal effect. Instead, tenancies will be considered as periodic (Clause 1 of the Bill - subsection 1-2). It is stated that this change will provide tenants more flexibility to terminate tenancies when they need to, including where landlords fail to fulfil their obligations, or properties are quite low quality¹².

The Bill includes a significant restriction on assured tenancies. An assured tenancy is a tenancy where a dwelling-house¹³ is let as a separate dwelling and is occupied as the tenant's only or principal home. The tenant must be an

House of Commons (n 5) 8.

⁸ Department for Levelling up, Housing and Communities, ‘A Fairer Private Rented Sector’ (June 2022) 7, 24 <<https://www.gov.uk/government/publications/a-fairer-private-rented-sector>> accessed 7 September 2023.

⁹ Department for Levelling up, Housing and Communities, ‘Levelling Up the United Kingdom’ (2 February 2022) 121, 221 <<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>> accessed 7 September 2023.

¹⁰ Chris Bevan, *Land Law* (3rd ed Oxford Law Trove OUP 2022) 364. In a fixed term tenancy, right to possession terminates at the latest, on the expiry of the tenancy period. By contrast, a periodic tenancy runs on indefinitely, from week to week, month to month, quarter to quarter, or year to year until one of the parties does not want to continue the tenancy. See. Judith-Anne MacKenzie and Aruna Nair, *Textbook on Land Law* (17th ed OUP 2018) 182.

¹¹ Emily Walsh, *A Guide to Landlord and Tenant Law* (1st ed Routledge 2018) 236.

¹² House of Commons (n 5) 14.

¹³ According to HA 1988 s. 45 (1), a “dwelling-house” is defined as a house or part of a house.

individual and the tenancy may be held by an individual or by joint tenants¹⁴ (HA 1988 s. 1). The periods of a periodic tenancy can currently be any length within the scope of HA 1988, but clause 1 of the Bill brings a limitation for the length of the period of an assured tenancy (subsection 3-7). Particularly, relevant periods will have to be either monthly or no more than twenty-eight (28) days long¹⁵. Purpose of this restriction is to avoid situations that tenants might be locked because of unnecessary long periods in future inside the tenancy¹⁶. On the other side, it might be tough to exercise this rule in practice due to the landlords' concerns. Because this provision may cause much more risk in point of obtaining rental fee steadily. Landlord candidates might feel unsecure in order to be in a "buy to let" transactions in this case, as well. Such a probable result may help disadvantageous groups to reach an appropriate accommodation easier.

Assured shorthold tenancies are a type of assured tenancy. They must meet with the requirements of HA 1988 s. 1 and besides, not be subject to any of the statutory exclusions. The essential difference between assured shorthold tenancies and assured tenancies is regarding security of tenure and in this sense assured shorthold tenants have very limited security of tenure¹⁷. In this (assured shorthold) tenancy, it is easier to remove the tenant at the end of the agreed period, thus a landlord has less concerns while renting the property¹⁸. In private renting, the assured shorthold tenancy is seen as the market standard for short-term tenancies of less than twenty-one (21) years since the 1980s¹⁹. Clause 2 (b) of the Bill removes provisions of the HA 1988 which establish assured shorthold tenancies, thereby such tenancies can't be formed anymore in the future²⁰. This may be considered as a fundamental change really, that indicates the government's attitude to simplify tenancy structures by abolishing assured shorthold tenancies and replace the current legislation with a single system of periodic tenancies²¹.

¹⁴ Simon Garner and Alexandra Frith, *A Practical Approach to Landlord and Tenant* (8th ed OUP 2017) 228-231; Walsh (n 11) 228.

¹⁵ See. Renters (Reform) Bill, Clause 1, Subsection (3), (a)-(b).

¹⁶ House of Commons (n 5) 14.

¹⁷ See. Mark Davys, *Land Law, Palgrave Law Masters* (Palgrave Macmillan 2015) 57; Walsh (n 11) 237; Garner and Frith (n 14) 228.

¹⁸ Ben McFarlane, Nicholas Hopkins and Sarah Nield, *Land Law: Text, Cases and Materials* (5th ed Oxford Law Trove OUP 2021) 703; Garner and Frith (n 14) 228, 248.

¹⁹ Tim Reid and Megan Stewart, 'The Renters Reform Bill' (2023) 27 (2) *Landlord & Tenant Review* 48, 48; Andrew Arden and Martin Partington, 'Housing Law: Past and Present' in Susan Bright (eds), *Landlord and Tenant Law Past, Present and Future* (Bloomsbury Publishing 2006) 203.

²⁰ Additionally, clause 2 (a) of the Bill removes section 6A of the HA 1988 which detailed the mechanism that social housing providers could use to demote their tenants to assured shorthold tenancies if they commit anti-social behaviour. See. House of Commons (n 5) 14-15.

²¹ Reid and Stewart (n 19) 48.



C. Abolition of “No Fault” Evictions

The Housing Act 1988 includes provisions related to assured shorthold tenancies (Ch. II). According to s. 21 (1) of the HA 1988, the landlord can recover the possession at the end of the fixed term of an assured shorthold tenancy without existing any fault of the tenant. The landlord must give tenant not less than two months’ notice if he/she requires possession of the dwelling-house at the end of the term (s. 21 (1) (a)-(b) HA 1988). If the court is satisfied on these statutory elements, makes an order for eviction of the tenant²². Clause 2 of the Bill removes section 21 of the HA 1988 which is named “no fault” evictions along with the whole assured shorthold tenancy regime²³. The Bill gives tenants a longer-term security and behavioural flexibility in this way. They can express their complaints more confidently to their landlords, for instance about the level of rent, or condition of their property without any concern for being evicted because of their requests related to the property²⁴.

D. New Termination Grounds and Notice Periods for Landlords

The grounds for possession that landlords must use to evict their tenants are currently stated in Schedule 2 of the HA 1988²⁵. Section 7 of the HA 1988 sets out when a court must award possession. Regarding this, section 8 of the HA 1988 specifies the notice periods that landlords must give tenants before they can start court proceedings. Now, clause 3 of the Bill is providing to amend the grounds for possession in schedule 2 of the HA 1988, including in relation to notice periods and the courts making orders for possession²⁶. For the purpose of redressing the balance for landlords, the Bill (schedule 1) brings new termination grounds for landlords: (1) intention to sell the property; or (2) intention to move into the property with or without their families. These rights may become exercisable after the first six months of the tenancy and upon two months’ notice²⁷.

²² Walsh (n 11) 242; Reid and Stewart (n 19) 49.

²³ House of Commons (n 5) 15.

²⁴ Reid and Stewart (n 19) 49.

²⁵ These are: Ground 1–Recovery by owner-occupier or future occupier; Ground 2–Mortgages; Ground 3–Holiday lets; Ground 4–Student accommodation; Ground 5–Ministers of religion; Ground 6–Redevelopment; Ground 7–Death of a periodic tenant; Ground 7A–Anti-social and criminal behaviour; Ground 8–Serious rent arrears; Ground 9–Suitable alternative accommodation; Ground 10–Rent arrears; Ground 11–Persistent arrears of rent; Ground 12–Breach of obligation; Ground 13–Deterioration of the dwelling-house; Ground 14–Nuisance, annoyance or criminal activity; Ground 14A–Domestic violence; Ground 14AZ–Offences connected with riot; Ground 15–Deterioration of furniture; Ground 16–Employees; Ground 17–Grant induced by false statement.

²⁶ House of Commons (n 5) 15.

²⁷ Reid and Stewart (n 19) 49.

Landlords have right to serve notice to evict tenants who are in arrears amounting to two months' rent before the contractual term of the tenancy has expired, in the current status within the scope of section 8 of the HA 1988²⁸. The Bill outlines a mandatory eviction process which applies where tenants have hit that limit three times within three years, regardless of the amount outstanding at the date of the hearing²⁹. In addition to this, the notice period is being extended for rent arrears from two weeks to four weeks³⁰. Serious anti-social or criminal behaviours such as murder, manslaughter, sexual offences, burglary, certain road traffic offences and certain drug related offences amongst others are regulated as a mandatory ground for possession of the landlord³¹ (Ground 7A- Schedule 2 of the HA 1988). The Bill is reducing the notice period for serious anti-social or criminal behaviours, as well. In such circumstances, landlords will be able to make a claim for possession immediately with the amendment³².

E. Rent Increases

A covenant to pay rent is not implied automatically into every lease, but the payment of rent is usual, and it is normally the intention of the parties that it should be paid³³. Section 13 of the HA 1988 regulates the process which a landlord can issue notice to inform the tenant of a rent increase. Clause 5 of the Bill will amend section 13 of the HA 1988 and in this context, section 13 notice will be the only valid way that a private landlord can increase the rent. On the other hand, tenants will be able to have the possibility to challenge the rent increase under section 14 of the HA 1988, if they believe the increase to be above market rate³⁴. Within these changes, rent increase will only be achievable by the service of a notice under section 13 and this will be possible annually upon two months' notice. In other words, rent may be increased once per year

²⁸ Walsh (n 11) 250.

²⁹ Reid and Stewart (n 19) 49.

³⁰ House of Commons (n 5) 15.

³¹ Walsh (n 11) 248.

³² House of Commons (n 5) 15; Reid and Stewart (n 19) 49-50. Each possession ground has a minimum notice period. Clause 3 of the Bill states that under grounds 1, 1A, 1B, 2, 2ZA, 2ZB, 5, 5A, 5B, 5C, 5D, 6, 6A, 7 and 9, the notice period before the landlord may begin court proceedings is two months; under grounds 5E, 5F, 5G, 8, 8A, 10, 11 and 18, the notice period before the landlord may begin court proceedings is four weeks; under grounds 4, 7B, 12, 13, 14ZA, 14A, 15 and 17, the notice period before the landlord may begin court proceedings is two weeks (subsection 3).

³³ MacKenzie and Nair (n 10) 245. The rent must be either certain or capable of being calculated with certainty at the date when payment becomes due. Although there is no necessity that rent should be expressed to be in money terms. It might be determined differently as a form of services in kind or chattels. See. Garner and Frith (n 14) 67.

³⁴ House of Commons (n 5) 16-17.

and needs to be given to the tenant at least two months’ notice of any change. Of course, it should be noted that the proposed rent will take effect unless the tenant applies to the Tribunal before the proposed rent increase date. These amendments also adopt an idea which reject rent controls being introduced to fix rent levels at the beginning of a tenancy³⁵.

F. Request of the Tenant to Keep a Pet

According to the English Private Landlord Survey 2021, forty-five percent (45%) of landlords are unwilling to rent their properties to tenants with pets³⁶. Clause 7 of the Bill adds new provisions (section 16A, 16B, 16C) to the HA 1988 to strengthen tenants’ rights to keep a pet in their home, which has previously been at the landlord’s discretion. Section 16A, which regulates requesting consent to keep a pet, brings the rule that a tenant may keep a pet with the landlord’s consent unless the landlord reasonably refuses. Section 16B states that the tenant’s request must be made in writing and include a description of the pet (subsection 3). On the other side, section 16C aims to balance landlord concerns about damages given to the property. It gives right to landlord to require an insurance from the tenant to cover possible damages by a pet is purchased (subsection 1). Furthermore, clause 8 of the Bill amends section 1(4) of the Tenant Fees Act 2019 to permit landlords to demand from a tenant who keeps a pet to enter into a contract with an insurance company for pet damages³⁷. The proposed consent regime between the landlord and the tenant to keep pets might be extended to other requests of the tenant such as redecorating the property, hanging pictures, or changing appliances. Thus, more satisfying right over the property particularly in terms of appearance, can be given to the tenant who wishes to have long-term interests. Such an idea is quite consistent with the policy of decent homes standard, as well.

G. Duties of Landlords Related to Tenancy

Clause 9 of the Bill inserts a new section (16D) which is named “Duty to give statement of terms and other information” into the HA 1988. This provision brings a duty on landlords to give the tenant a written statement of terms and information (subsection 2) on or before the first day of a tenancy (subsection 3). In this way, basic information about the tenancy and responsibilities of both

³⁵ Reid and Stewart (n 19) 50. The rent determination will be regarding to market value as it is now.

³⁶ Department for Levelling up, Housing and Communities, ‘English Private Landlord Survey 2021: Main report’ (2022) 7 <<https://www.gov.uk/government/statistics/english-private-landlord-survey-2021-main-report>> accessed 21 September 2023.

³⁷ House of Commons (n 5) 19-20; Reid and Stewart (n 19) 53. Relevantly see. Tenant Fees Act 2019 at <<https://www.legislation.gov.uk/ukpga/2019/4/contents/enacted>> accessed 25 September 2023.

parties are put into a written agreement to prevent and resolve the possible disputes easily. It may be considered as evidence if disputes between the parties go to court, as well³⁸. Clause 10 of the Bill is another new provision that adds section 16E into the HA 1988 to prohibit some certain actions by a landlord or former landlord of an assured tenancy including misuse of possession grounds. According to this new section (16E), landlords will be prohibited from purporting to let the property for a fixed term and claiming to end the assured tenancy by service of a notice to quit (subsection 2). Additionally, subsection 3 and 4 of the section (16E), prohibit landlords from reletting the property within three months of obtaining possession on the ground for occupation or selling³⁹.

Clause 11 of the Bill brings new sections into the HA 1988 which are related to financial penalties and offences for the breach of the prohibitions in Clause 10 including the misuse of possession grounds and for not providing a written statement of terms as required by Clause 9. Under the title of financial penalties, section 16F regulates that a local housing authority will be able to impose a financial penalty up to £5,000 if satisfied beyond reasonable doubt that a landlord or former landlord has disobeyed the rules contained in clauses 9 or 10. As for offences, section 16G points out circumstances where a landlord or former landlord will be guilty of an offence and is liable for a fine or prosecution. According to section 16H, the local housing authority may impose a financial penalty as an alternative to prosecution under section 16G and the amount of this fine cannot be more than £30,000⁴⁰ (subsection 3).

H. Dispute Resolution by the Ombudsman and Enforcement

Under the current legislation, there is no ombudsman for private residential tenants to complain about their landlords⁴¹. Clause 24 of the Bill includes a plan to approve and designate a Privately Rented Sector Landlord Ombudsman Scheme as the one redress scheme and Clause 25 points out regulations regarding the conditions of it. Essentially, in subsection 2 (a) of the clause 25, it is mentioned that an appointment of an individual, approved by the Secretary of State, to be the principal executive in charge of investigating and determining complaints under a scheme. In other words, there is not any obvious literal reference to an “*Ombudsman*” or “*Head of Redress*” in the aforementioned

³⁸ House of Commons (n 5) 20.

³⁹ See Schedule 1 of the Bill for the mentioned grounds of possession; Ground 1 refers occupation by landlord or family and Ground 1A refers intention to sell the dwelling-house.

⁴⁰ House of Commons (n 5) 21-22. These limits of financial penalties stated in sections 16F and 16H may be amended due to inflation by the Secretary of State regulations. See. Section 16I subsection 2 of the Bill.

⁴¹ Currently, social housing tenants have right to apply to an ombudsman and private residential tenants have a legal possibility to recourse against managing agents. See. para. 2-3 of the Schedule 2 in the Housing Act 1996; Reid and Stewart (n 19) 50.

provision, but the aim of these amendments is clearly providing an authorized scheme administrator to resolve disputes against landlords⁴².

In that case, the Bill introduces a new, single, and government approved ombudsman model, covering all private landlords who rent out property, regardless of whether they use an agent or not in order to deal with tenant complaints about their landlords. The intention in proposing such a dispute resolution model is to resolve disputes swiftly without resorting to court proceedings and secondarily to provide a guide for identifying issues of the sector. Within the scope of clause 25 of the Bill (subsection 2 (i)), the ombudsman could require the landlord to issue an apology, provide an explanation, take remedial action, and pay compensation. It is proposed that the ombudsman will have the power to make a final decision which would be binding on the landlord if accepted by the tenant. Besides, it will be possible to enforce those decisions through the court if there is insufficient compliance with the ombudsman’s decisions⁴³ (Clause 28).

I. The Database of Local Councils Against Landlords

There is already a database which local councils are required to record landlords who are issued with banning orders for committing an offence under the current legislation. According to Housing and Planning Act 2016⁴⁴ (Part 2: Chapter 3), “Database of Rogue Landlords and Property Agents” has a function that local housing authorities record landlords who are subjects of banning orders. Chapter 3 (Clauses 32–51) of the Bill will extend the Database under the name of “The Private Rented Sector Database” to include all offences committed by landlords, not just those which result in banning orders, and ensure they are publicly available. Pursuant to the current legislation, if a landlord is served with two or more civil penalty notices in a twelve (12) month period, they will be entered onto the Database. Chapter 3 of the Bill reduces the threshold to cover all civil penalties to give tenants more information within the context of the proposed Database. Besides, local councils will be allowed to require financial information from landlords to investigate their probable illegal business activities⁴⁵. This new database is considered as the basis of the future Privately Rented Property Portal Service that includes wider information regarding privately rented properties⁴⁶.

⁴² House of Commons (n 5) 33-34.

⁴³ Reid and Stewart (n 19) 50; House of Commons (n 5) 38-39.

⁴⁴ Home of UK Legislation, ‘Housing and Planning Act 2016’ <<https://www.legislation.gov.uk/ukpga/2016/22/contents/>> accessed 28 September 2023.

⁴⁵ Reid and Stewart (n 19) 52; House of Commons (n 5) 40-41.

⁴⁶ House of Commons (n 5) 41.

J. Other Changes Effect Residential Tenancy

Private landlords usually demand a deposit as security, against failure to keep the property in good condition. Clause 19 of the Bill requires landlords as a rule to have complied with the deposit protection necessities in order for a court to award possession⁴⁷. However, there can often be a gap between the requirement to pay a deposit on a new house before the previous deposit has been returned while moving. Clause 19 and as a whole the Renters (Reform) Bill is not contained to introduce passporting for deposits. This is a significant criticism reason in the context of indifference to the solution of the situation, which causes a serious financial problem for tenants in practice⁴⁸.

Clause 21 of the Bill (subsection 1) changes Schedule 1 of the HA 1988 to add fixed-term tenancies of more than seven (7) years to the list of tenancies that are excluded from the assured tenancy system. In other words, tenancies of more than seven years will not be considered as assured tenancies when the Bill comes into force. Clause 22 of the Bill regulates penalties for unlawful eviction or harassment of occupier and in this direction adds new provisions to the Protection from Eviction Act 1977⁴⁹ to enable local housing authorities to issue financial penalties up to £30,000 for an offence under section 1 of the Act⁵⁰.

CONCLUSION

The Renters (Reform) Bill was introduced in the House of Commons on the date of 17 May 2023, and it will be the biggest statutory change in the field of rent law since the HA 1988. The Bill aims to provide a better deal for renters and, decent homes standard is felt at the background of the Bill for secure and decent homes within the scope of residential tenancy agreements. The Bill proposes that all assured tenancies will be periodic in future and can no longer have fixed terms. In this way, tenants are expected to have more flexibility to terminate their tenancy agreements when they need to. As a significant restriction on assured tenancies, length of the period of an assured tenancy will be either monthly or no more than twenty-eight (28) days. Thus, tenants might be able to be protected from the situations which they feel locked because of unnecessary long periods inside the tenancy. In terms of assured

⁴⁷ Except relating to serious crimes and anti-social behaviour based on Grounds 7A or 14 (Schedule 2) of the HA 1988.

⁴⁸ Instead of passporting, the Government is suggesting the “Tenancy Deposit Protection Working Group” will monitor the commercial solutions already in place for bridging the gap through loan and insurance products and introduce legislation if needed. See. Reid and Stewart (n 19) 53.

⁴⁹ The Official Home of UK Legislation, ‘Protection from Eviction Act 1977’ <<https://www.legislation.gov.uk/ukpga/1977/43>> accessed 28 September 2023.

⁵⁰ House of Commons (n 5) 29-30.

shorthold tenancies, this type of tenancies will be abolished in line with the government’s aim to simplify tenancy structures and bring a single system of periodic tenancies. By abolishing the whole assured shorthold tenancy regime, the Bill removes section 21 of the HA 1988 which is named “no fault” evictions, as well. This change might be the most advantageous gain for the protection of tenants functionally. Because it gives tenants a longer-term security and behavioural flexibility in this way.

The Bill will bring new termination grounds for landlords which are intention to sell the property, and intention to move into the property with or without their families. This provision might be considered as a balance factor for landlords’ interests against changes in favor of tenants in the Bill. Rent increase may be the most significant point in practice as usual and according to the Bill, it will only be achievable by the service of a notice under section 13 of the HA 1988, and this will occur annually upon two months’ notice. This is another gain for tenants within the framework of the Bill to prevent unpredictable rent increases. The Bill enables tenants to keep a pet in their homes within a new statutory protection. In response to the statutory request of the tenant to keep a pet in the property, landlords will be able to demand from the tenant to make a contract with an insurance company for pet damages. In addition to some other duties of landlords related to tenancy such as the duty to give a written statement of terms and other information, the Bill requires landlords to have complied with the deposit protection necessities.

The Bill introduces a new, single, and government approved ombudsman model, covering all private landlords who rent out property. It is expected that such a dispute resolution model might resolve some disputes swiftly without resorting to court proceedings. Furthermore, bringing a new database is included within the Bill which records all offences committed by landlords. This new database is considered as the basis of the future Privately Rented Property Portal Service that includes wider information regarding privately rented properties. When the Bill is considered in general, it is clear that the changes introduced are mainly aimed at protecting and improving the interests of tenants. On the other side, regulations to address some concerns of landlords are also included partly. It should be noted that there is no end to the positive changes regarding the protection of tenants who are on the economically weak side in the tenant-landlord relationship. As long as it is not ignored that landlords are also parties to the contract, and they also need legal protection. In that case, it can be said that the Bill is a significant progress in terms of protecting tenants. However, further development is always possible. For example, in this respect, Government’s preparations to reform the regime for long leases of twenty-one (21) years or more might be considered later in another paper if it comes to light.

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