Consultation Response to 'A New Deal for Renting: Resetting the balance of rights and responsibilities between landlords and tenants'

RESIDENTIAL LANDLORDS ASSOC.

Who we are

The Residential Landlords Association is the leading membership body for private landlords. It has over 35,000 members and a further 30,000 landlords who receive its updates and regularly view its website.

We recently performed the largest ever non-governmental survey of landlords. Almost 6,400 respondents provided their feedback on questions relating to possession reform in the UK. The findings from this research inform our responses to this consultation.

Summary of key recommendations

The RLA welcomes some of the proposed improvements to section 8 in this consultation. Landlords are not litigious and in almost all circumstances only seek possession on the basis of poor tenant behaviour such as anti-social behaviour or failure to pay rent. Implementing these changes without significant court reform and reforms to the existing tax and benefits system would likely cause a number of landlords to flee the market for fear that they cannot confidently regain possession of their property in a timely fashion in legitimate circumstances. This would exacerbate the warnings of the Royal Institution for Chartered Surveyors that the demand for rental properties is outstripping supply

If the changes are implemented, then we would like to see:

- Significant reform beyond the proposed new grounds with a greater use of mandatory grounds, including one for anti-social behaviour.
- Landlords allowed to regain possession of their own property in a reasonable timeframe in legitimate circumstances. This is especially true for members of the armed services who may be served a much shorter notice by the MOJ, potentially leaving them homeless.
- Universal Credit payments guaranteed for domestic abuse survivors and fast tracked claims so they do not have to worry about losing their homes.
- A vastly improved court system to cope with the influx of grounds-based possession cases that would result from section 21 being abolished. The existing section 21 process masks the fact that most landlords seek possession on the basis of rent arrears. A new specialist Housing Court should be created before any possession reform is put in place. This must be properly staffed and funded and make better use of Alternative Dispute Resolution.
- Work to address the massive delays in sourcing bailiffs. The RLA recommends privatising the bailiff service, allowing High Court Enforcement Officers to help lower the months-long waits for a property to be repossessed after a court order has been granted.

Question 1: Do you agree that the abolition of the assured shorthold regime (including the use of section 21 notices) should extend to all users of the Housing Act 1988?

No. There is no good reason for this proposed change and no evidence that it will achieve any useful object.

If not, which users of the Housing Act 1988 should continue to be able to offer assured shorthold tenancies?

The RLA does not believe that the assured shorthold tenancy (AST) regime should be abolished, certainly not without a wide range of reforms being implemented first.

The AST offers valuable flexibility and choice to tenants, especially those wanting to access new work and educational opportunities. In the Government's recent consultation on longer term tenancies many tenants, particularly more mobile groups such as young professionals, prefer the flexibility of this arrangement. Given the variety of different groups now living in the private rented market, a 'one size fits all' approach should be avoided.

Without the access to section 21 notices provided by the AST, our research shows that almost all landlords will become more restrictive in who they let properties to. Manchester Metropolitan University has also produced independent research that shows these restrictions will more than likely fall on the most vulnerable tenants.

This is only logical. Landlords are more willing to rent to higher risk tenants if they have confidence they can regain possession of their property where they have a legitimate need to do so. Without this confidence, landlords will become more risk averse. As one of our members explained when responding to our survey: *"If section 21 were to go without a suitable alternative to get a property back quickly, then I would probably only rent to professional tenants because I can't take the risk of not having the rent paid again, but not being able to recover my property easily".*

However, if the AST is to be removed, local housing authorities should not be able to offer flexibility and choice that the private rented sector cannot. In 2006, the Law Commission specifically cautioned against restricting choice and flexibility within the private rented sector as it was not being provided in the social rented sector. In many areas of the country, social housing is already at breaking point with demand far outstripping supply. Making this sector more attractive risks pushing local authority resources beyond breaking point which risks increasing homelessness significantly.

If the AST is to be removed, it would be better to provide flexibility and choice to different types of tenants that require it. The most obvious examples are students or young professionals. However, there are a range of other cases in which an exemption is required. The Country Land Association (CLA) has highlighted the situation of agricultural workers and the need for tenant farmers to be able to evict them when their employment is terminated. Similar issues apply to universities which retain accommodation for the use of lecturers and researchers on fixed term agreements. Being unable to evict these tenants at the end of their contracts will mean that universities will be unable to offer accommodation in these cases. A similar problem will arise for charities which offer short-term accommodation to the homeless. They will be unable to offer limited term accommodation with any certainty and will risk failing to fulfil their charitable objects. In short, there are a wide range of situations in which section 21 or an equivalent power will need to be retained and further consideration will need to be given to a mechanism to do this.

Question 2: Do you think that fixed terms should have a minimum length?

In practice this already exists for most landlords and tenants and there is no need for a statutory minimum length. As part of their terms and conditions insurance and buy-to-let mortgage providers regularly require the landlord sets a 6-12 month fixed term tenancy as standard. This provides all parties, including the tenant, with a fair tenancy length that offers security to tenant, lender and landlord alike.

The RLA suggests that this arrangement continue, with tenancy lengths being set as part of a contractual arrangement.

Question 3: Would you support retaining the ability to include a break clause within a fixed-term tenancy?

The RLA supports the retention of flexibility and choice in contracts. However, it is unlikely that landlords will use break clauses if all of the proposed changes are implemented. At present a break clause allows both parties to bring the tenancy to an end. Without section 21 or specific grounds where a break clause may be applicable (such as ground 1 of Schedule 2) a break clause could only be used by a tenant. As such, landlords would likely see no reason to incorporate these clauses in their agreements.

Question 4: Do you agree that a landlord should be able to gain possession if their family member wishes to use the property as their own home?

Yes. Landlords should be able to recover possession to use the property for their own, or their immediate family's needs. Otherwise they will be forced to rent themselves, which is an inefficient use of property and increases competition with other tenants.

Question 5: Should there be a requirement for a landlord or family member to have previously lived at the property to serve a section 8 notice under ground 1?

No. No such requirement exists now. There are in fact two limbs to ground 1, and only one of them requires prior residence.

Question 6: Currently, a landlord has to give a tenant prior notice (that is, at the beginning of the tenancy) that they may seek possession under ground 1, in order to use it. Should this requirement to give prior notice remain?

No. There are already too many limitations on the use of grounds for possession.

If not, why not?

Landlords would welcome the proposed change to ground 1 that allows relatives of the landlord to make a home in the landlord's property. In our recent survey on possession reform we found that 85% of respondents agreed that this ground should exist.

This change would allow landlords to offer homes to family members in the event of unexpected changes in circumstance such as redundancy or unplanned pregnancy. However, should a landlord need to regain possession in this manner then prior notice would be counter-productive. Our research shows that landlords do not seek possession without good reason. In almost all cases this means the tenant is in rent arrears, (84%) or they are behaving antisocially (51%) or damaging the property (56%). For a landlord to seek possession from a good tenant is unlikely unless the family need is great, and most likely unexpected, as being able to plan ahead would ameliorate most housing issues.

If the ground is known to exist and is available to all landlords then giving specific notice to a tenant is nugatory as every landlord would give such notice. Grounds for possession should be freed from artificial limitations which unreasonably limit their use.

Question 7: Should a landlord be able to gain possession of their property before the fixed-term period expires, if they or a family member want to move into it?

Yes

Question 8: Should a landlord be able to gain possession of their property within the first two years of the first agreement being signed, if they or a family member want to move into it?

Yes

A two-year prohibition on the use of ground 1 is likely to negatively affect some groups. In particular thought needs to be given to members of the armed forces living in service family accommodation. They and their families are licensees that will usually be served a 93 day notice by the MOD in the event of medical discharge after their service to the country.

Many of these veterans will rent out their own properties while stationed abroad or in other areas of the country. They will obviously wish to return to their homes after this. Under these proposals members of the armed services would have to find alternative accommodation instead. The RLA has spoken to armed forces veterans regarding this issue and it is clear that they may face difficulties.

Primarily this is because those who are medically discharged are likely to be in receipt of Universal Credit, which landlords are wary of given the issues around receiving payments and significant rent arrears. The RLA has spoken to veterans groups and they have highlighted that many veterans who have been medically discharged struggle to find homes as a result of this. They will likely continue to do so as long as Universal Credit claims do not offer the ability for claimants to choose to have payments made direct to their landlord and face extended delays in payments.

As a result this will likely place a further strain on local authorities as they have a statutory duty to consider whether former armed forces personnel are vulnerable and entitled to homelessness support.

The RLA recommends that the two-year prohibition on serving a notice under ground 1 not be implemented. If it must be, then there must be safeguards in place to protect groups like veterans who wish to return to their homes and may struggle to find alternative accommodation. This needs to be explicitly laid out in law so that such veterans can confidently regain possession of their own home without the worry of facing an extended, uncertain battle through the courts.

Question 9: Should the courts be able to decide whether it is reasonable to lift the two year restriction on a landlord taking back a property, if they or a family member want to move in?

Yes

Question 10: This ground currently requires the landlord to provide the tenant with two months' notice to move out of the property. Is this an appropriate amount of time?

Yes

Question 12: We propose that a landlord should have to provide their tenant with prior notice they may seek possession to sell, in order to use this new ground. Do you agree?

No

If no, please explain.

As in Question 6, there should be accommodation for changes in the circumstances of the landlord. A property may be profitable initially or the landlord may be capable of paying their mortgage. However, changes to the tax treatment of landlords or persistent rent arrears in other properties may change this situation.

Sheffield Hallam University's independent research found that a number of homes with more vulnerable tenants would become loss making as a result of the recent Mortgage Interest Relief changes. In this situation without access to section 21, such landlords would be forced to continue making a loss on their investment, as they could not sell to people who wished to live in the property.

If every landlord has the power to repossess on sale then every landlord will serve such a notice. In practice this makes a notice irrelevant and it would be better to simply make tenants aware generally that this power is possible.

Alternatively, the RLA recommends looking at ways to make selling the property with tenants in situ an attractive option. Confidence in the sector is fragile currently and growing worse. According to our research, 41% of landlords cannot envisage operating in the market without section 21 under any circumstances. A further 57% could only envisage operating in it with significant improvements to section 8 grounds, court reform and improvements to the welfare system. As a result, removing section 21 in a vacuum could lead to 98% of landlords in the private rented sector considering their position in the market. According to the English Housing Survey the private rented sector provides homes to around

4.7 million people. If these changes must be implemented, serious consideration needs to be given on how to ensure good landlords have the confidence to provide the homes to rent to meet growing demand.

Our research asked what could be done to retain investment in the event section 21 is removed. We found substantial support for a massively improved section 8 process, a new low-cost housing court and a number of tax changes such as the restoration of mortgage interest relief, and tax reforms to encourage and support landlords selling the property to the tenant(s) or with them in situ. The RLA believes that all of these measures should be in place first.

Question 13: Should the court be required to grant a possession order if the landlord can prove they intend to sell the property (therefore making the new ground 'mandatory')?
Yes

Question 14: Should a landlord be able to apply to the court if they wish to use this new ground to sell their property before two years from when the first agreement was signed?
Yes

Question 15: Is two months an appropriate amount of notice for a landlord to give a tenant, if they intend to use the new ground to sell their property?
Yes

Question 17: Should the ground under Schedule 2 concerned with rent arrears be revised so:

· The landlord can serve a two week notice seeking possession once the tenant has accrued two months' rent arrears.

· The court must grant a possession order if the landlord can prove the tenant still has over one months' arrears outstanding by the time of the hearing.

· The court may use its discretion as to whether to grant a possession order if the arrears are under one month by this time.

· The court must grant a possession order if the landlord can prove a pattern of behaviour that shows the tenant has built up arrears and paid these down on three previous occasions.

Please explain.
A number of the proposed changes are welcome. Many of our members have experienced the frustrations of tenants paying a fractional amount of their arrears at the last minute, prior to a court hearing, so that the current ground 8 is no longer applicable. As such, changing it so that the tenant must pay the majority of their arrears off before the hearing is to be welcomed. Similarly we welcome the change that allows landlords to gain mandatory possession where they can show a persistent pattern of building up and paying down rent arrears in this way. However, the RLA has some concerns regarding the present wording, particularly as to how it will affect landlords of vulnerable tenants such as some tenants in receipt of housing benefit.

Historically, many landlords and local authorities have taken rent 4-weekly where their tenants are in receipt of housing benefit. Given the long-standing cap on housing benefit these tenants are significantly more likely to be in arrears than tenants with a higher income according to Sheffield Hallam's research. Similarly, tenants who are employed in low income work are likely to be paid an hourly rate rather than a salary. This lends itself to weekly or 4-weekly payments. Tesco for example, is one of the largest employers in the country and pays the majority of its staff on a four-weekly basis. Landlords and tenants alike may wish to fix the contract to the same period to simplify the payments for everyone. However,

these tenants are also likely to fall into arrears as Universal Credit will assess them once a year based on receiving two payments in a month, seriously reducing their UC payment or in some cases forcing them to reapply for Universal Credit.

The present wording fails to take account of these type of tenancies as the tenant would have to miss three separate rent payments before this ground could be triggered. As such the RLA recommends retaining the distinction in the current ground 8 where weekly and fortnightly payments require eight weeks of arrears.

In addition, explicit mention of four-weekly payments should be made. The present ground 8 fails to mention four-weekly payments, as such it is arguable that no tenant on a four-weekly rent may be served a notice using ground 8. This has been used as a defence in cases of serious rent arrears to prevent landlords regaining possession of their property even where the rent arrears were still substantial.

It is vital that, if section 21 is removed, this ground must be available to all landlords as it is overwhelmingly the main reason behind the use of such notices. In our survey 84% of section 21 users had served their notice on the basis of rent arrears, often allowing the tenant to remain in the property for months to give them the chance to start paying the rent again. As one of our members said: *"With one tenant I was worried I was going to be unable to meet my own mortgage repayments because they were in rent arrears with me. I gave them a few months to try and sort things out, but then I desperately needed the property back. I just couldn't afford to not receive any rent off them anymore".*

Question 18: Should the Government provide guidance on how stronger clauses in tenancy agreements could make it easier to evidence ground 12 in court?

Yes

Question 21: Do you think the current evidential threshold for ground 7A is effective in securing possession?

No

Please Explain

As part of their membership of the RLA, landlords receive phone support and advice. Every year, thousands of members call it for advice on dealing with anti-social tenants. Many of them would prefer to use ground 7a as these tenants cause misery for their neighbours. However, most of them cannot as the evidence bar is set far too high.

This is especially true because communication by the police or local authority after serious criminal or anti-social behaviour is non-existent. Many of our respondents to the survey highlighted the issues around collecting evidence in this manner *"as the Police and Local Authorities refuse to share information with you due to Data Protection limitations and neighbours are usually scared to attend court or provide statements due to possible reprisals."*

Similarly, the Victims Commissioner report from earlier this year highlighted the issues around dealing with anti-social behaviour. They recommended that anti-social behaviour needs to be tackled swiftly when it starts. Refusal to share information on tenant behaviour directly hampers the landlord in tackling anti-social behaviour. This is because landlords are usually unable to find out the specifics of any case where conditions 1, 2, 3 or 5 may have occurred and so ground 7a is usually unavailable.

Where our members have successfully managed to use ground 7a it is because a closure order of 48 hours or more has been placed on the property. In these cases it is relatively simple to evidence to the courts that serious anti-social behaviour has occurred and so landlords feel more comfortable using this ground.

It is little wonder then that landlords prefer to use section 21 in cases of anti-social behaviour. The mandatory ground can only provide certainty if there is clear communication by the police or local authority where a condition has been met.

Question 23: Do you think the current evidential threshold for ground 14 is effective in securing possession?

No

Please explain

Our research found that landlords were significantly more likely to use section 21 over section 8 for cases involving anti-social behaviour. Where over 50% of landlords using section 21 had done so in part because of anti-social behaviour, only a third of section 8 users had done the same. This should greatly concern everyone as anti-social tenants are unlikely to have suddenly become anti-social at the end of a tenancy. Instead the lack of confidence in the current section 8 procedure is leading to unsatisfactory solutions.

Potential witnesses to such behaviour including other tenants or neighbours are unwilling to provide witness statements as they would, as MOJ figures show, have to spend on average 22 weeks living near to the anti-social person. This is particularly difficult for HMO properties. As one of our members quite rightly points out: "*As far as my HMO tenants are concerned, an inability to ask a difficult tenant to leave would simply mean the other good four would leave anyway*". It is no surprise that good tenants would rather hand in their own notice than spend six months living with the anti-social tenant they have provided a witness statement against.

For the landlord, the lack of certainty around possession means that they would rather wait until near the end of the tenancy before serving a section 21 notice.

This is concerning but not surprising. Our research found that generally landlords have no confidence in the court system. Nearly 80% of landlords expressed dissatisfaction with it, citing delays at every point in the system, most especially bailiffs. It is little surprise given the extended delays that landlords do not want to risk the time and money on a discretionary ground with such a poor reputation.

Put simply, ground 14 is not fit for purpose at this time and needs to be greatly strengthened before landlords will have confidence they can successfully gain possession. Until then anti-social tenants will continue to use it to blight the lives of fellow tenants and neighbours for as long as they continue to pay the rent.

Question 24: Should this new ground apply to all types of rented accommodation, including the private rented sector?

Question 25: Should a landlord be able to only evict a tenant who has perpetrated domestic abuse, rather than the whole household?

Question 26: In the event of an abusive partner threatening to terminate a tenancy, should additional provisions protect the victim's tenancy rights?

Question 27: Should a victim of domestic abuse be able to end a tenancy without the consent of the abuser or to continue the tenancy without the abuser?

Yes

Please Explain

Victims should be afforded all the protection they need and allowed to live in their homes free from abusive partners. However a number of concerns need to be addressed regarding this ground before it can be extended.

Firstly, all the concerns regarding the lengthy court procedures still apply to this ground. Victims of domestic abuse often suffer for years out of fear of their attacker. Adding nearly six months to this ordeal is completely unreasonable. A new more efficient Housing Court needs to be put in place that allows domestic abuse survivors to take control of their lives and these cases must be fast tracked within it.

Secondly, there need to be safeguards in place to allow them to continue to live in the property and not return to court shortly after for repossession hearings based on rent arrears.

In controlling relationships where Universal Credit is paid to one party, the likelihood is that it will be paid in full to the male member of the couple rather than each receiving half of the payment. Statistically where domestic abuse occurs, the male partner is more likely to be the abuser but also likely to be in receipt of the Universal Credit claim as it allows them to financially control and limit the domestic abuse sufferer's options. Universal Credit joint claims are only split in exceptional circumstances. Only 20 out of 85,000 households received split payments in 2018. This makes it extremely difficult for victims of domestic abuse to escape the relationship.

Worse, once they have taken the decision to leave their abusive partner, research by Women's Aid and the Trade Union Congress found that it could take up to 10 weeks for a new claim to be processed so that they could be financially independent. It is highly likely then that these tenants will end up heavily in debt while they wait for this to go through and then have to pay rent on a property that they likely no longer have the financial resources to pay for.

Should this ground be expanded it is vital that Universal Credit is reformed first. Domestic abuse sufferers should automatically have their housing component paid directly to the landlord with little or no interruption in payments. Similarly, where possession is sought on this ground then the rental amount paid to the couple should be guaranteed for the length of the tenancy. This would allow domestic abuse survivors to have the security and confidence to rebuild their lives without worrying where the rent will come from.

Question 28: Would you support amending ground 13 to allow a landlord to gain possession where a tenant prevents them from maintaining legal safety standards?

Yes

Question 29: Which of the following could be disposed of without a hearing? (tick all that apply)

1 Prior notice has been given that the landlord, or a member of his family may wish to take the property as their own home.

2 Prior notice has been given that the mortgage lender may wish to repossess the property.

3 Prior notice has been given the property is occupied as a holiday let for a set period.

4 Prior notice has been given the property belongs to an educational establishment and let for a set period.

5 Prior notice has been given to a resident minister that the property may be required by another minister of religion.

7A The tenant has been convicted of a serious offence in or around the property, against someone living in or around the property, or against the landlord.

8 The tenant has significant rent arrears.

New The landlord wishes to sell the property

Question 30: Should ground 4 be widened to include any landlord who lets to students who attend an educational institution?

Yes

Question 31: Do you think that lettings below a certain length of time should be exempted from the new tenancy framework?

Yes

If yes, what is the minimum length of tenancy that the framework should apply to?

Tenancies of up to three months have been considered holiday lets in the past and this should continue to fall outside the scope of the assured tenancy regime. As most mortgage and insurance providers require a six month minimum term for a tenancy on a buy to let mortgage, this would not be open to abuse but it would simplify and clarify the confusion around what constitutes a holiday let or a short term arrangement for work. This would free up court resources should the landlord need to repossess their property

The minimum length of a tenancy is not the only type of tenancy that should fall outside the scope of the new tenancy regime however. 'Rent to rent' companies offer guaranteed rent to landlords which is an attractive proposition. However, many of them do so without explaining how this subletting arrangement works or how the landlord can effectively end the arrangement. In many cases this is because the rent to rent company does not know how to end it properly themselves. Worse, many landlords do not even know the tenant is subletting. The RLA's advice centre receives numerous calls regarding this every year and in many cases the landlord only finds out the property has been sublet when they perform an inspection and find people they have never met in the property. Often the property has also been poorly partitioned and overcrowded without informing the landlord.

These arrangements, along with Airbnb style lettings can seriously endanger the landlord's right to the property, particularly for leasehold properties. Under the present tenancy regime it is still difficult to regain possession in these instances. Should the freeholder demand the tenancy be brought to an end, the landlord may have to seek possession twice; first against the original 'tenant' and then against the subletters. Often, they do not even know the subletter's names or how much rent they are supposed to be paying. Even using the simpler section 21 process, this can take up to a year to deal with through the courts, with the landlord potentially facing possession action from the freeholder for breach of their lease during this time.

As such it is vital that some form of protection be put in place for these landlords. Either access to section 21 for the subletters once the original agreement has been terminated, an additional mandatory ground for bringing a subletting arrangement to an end, or it should fall outside the scope of the Housing Act 1988 allowing a Notice to Quit to be served instead.

Where the property has been partitioned without the landlord's knowledge a licensable HMO may also have been created. This already creates problems for landlords at the moment as a licence must have been applied for, or a temporary exemption sought, before a section 21 can be served. If this requirement is transferred over to the section 8 procedure then the right to a temporary exemption in the case of subletting without permission must be made an absolute one.

Question 36: Are there any other circumstances where the existing or proposed grounds for possession would not be an appropriate substitute for section 21?

Yes

If yes please explain

When the RLA performed its survey, we asked respondents what reasons they had for serving notice.

While the majority of the reasons are covered already by the existing or proposed grounds, a number of landlords highlighted issues around tenant subletting without permission. These properties can be overcrowded, potentially HMOs or simply let on Airbnb without the landlord's permission.

While this is technically covered by ground 12 (breach of tenancy) greater prominence needs to be given to this issue. The growth of Airbnb and unwitting rent to rent arrangements leaves landlords in danger as subletting can be an absolute breach of their lease with the freeholder, but only a discretionary ground under section 8. The RLA proposes that subletting without the landlord's permission be made a mandatory ground for possession. This should also apply to any sublet arrangements set up by the tenant so that the landlord can have vacant possession from one application to court.

Question 45: Do you think these proposals will have an impact on homelessness?

Question 46: Do you think these proposals will have an impact on local authority duties to help prevent and relieve homelessness?

Question 47: Do you think the proposals will impact landlord decisions when choosing new tenants?

Yes

If yes, please provide evidence to support this view.

Manchester Metropolitan University has looked into the causes of increased rates of homelessness. Contrary to the assertion that section 21 is the leading cause of homelessness, they found that homelessness rates were largely being driven by insufficient levels of income support after welfare reform. This, coupled with an insufficient supply of social housing, meant more and more tenants in the lowest two deciles were housed in the private rented sector without the financial support to pay enough rent for their home. Unsurprisingly, these tenants build up arrears which leads to notices seeking possession.

As unsatisfactory as this arrangement is, it will require landlords from the private rented sector who are willing to rent out to tenants in receipt of some form of housing benefit. Welfare reform has already seen a significant decrease in the number of landlords willing to rent out to tenants in receipt of benefits. According to our research, this change in isolation will lead to 89% of landlords becoming more restrictive in who they let out to. As one of our members suggested: "*This reform will have the effect of pushing 'marginal' renters with 'ok but not brilliant' credit scores out of the rental market. People will become more conservative in their attitudes to letting, if it is harder to take possession.*"

Many of our other respondents were clear that they would begin to leave the market if section 21 were to be removed without significant reforms. *"It's likely that I will continue to sell up if section 21 were to go, and I can see other landlords doing the same, that is, if the section 8 process is not improved".*

As the previous quote suggests, the impact may be ameliorated somewhat if significant reforms were implemented to section 8 grounds, welfare and the court system. While our research found that 41% of landlords cannot imagine remaining in the sector without access to section 21, 57% of landlords could envisage continuing to operate in the market without access to section 21 if significant changes were made on these points. Unfortunately, the proposals in this consultation are unlikely to be enough for landlords to have confidence in the new system as it still leaves landlords facing unacceptably long court wait times.

Without significant welfare reform and a new, fully funded housing court however, the end result will be an increase in homelessness applications at a time where social housing is already straining beyond capacity. Worse, many local authorities already rely on the PRS to house many tenants for them. If

these PRS landlords become more risk averse, this will shrink the supply of existing stock available to lower income tenants.

Question 50: Do you agree that the new law should be commenced six months after it receives Royal Assent?

No

If you answered 'no' to question 50 what do you think would be an appropriate transition period?

The RLA does not believe a set transition period is appropriate. These proposals need to be part of a holistic package of reforms that provide landlords with the confidence and security that they can confidently regain possession where they have a legitimate reason to do so.

This cannot be achieved without improving the court system significantly. The current proposals on wait times in courts would only reduce waiting time down from 22 weeks to 20 weeks. This is completely unacceptable as landlords should expect to gain possession of their property after nine weeks according to the Civil Procedure Rules. Due to the relative complexity of grounds-based possession this is likely to grow even worse without a properly funded specialist housing court.

Similarly, vast improvements have to be made to the number of bailiffs available for housing before the proposals can feasibly be rolled out. The major cause of the significant wait times for landlords are because of delays after the possession order is granted. The RLA recommends privatising the bailiff service to increase the supply and response times in the same way that high court enforcement officers currently operate.

Similarly, without welfare reform, the changes risk landlords being unwilling to rent out properties to the most vulnerable tenants. Measures must be taken to revitalise landlords' trust that welfare payments will be made. Offering easier access to direct payments for Universal Credit and increasing the cap for LHA before these changes are implemented would be likely to make landlords willing to rent out to tenants in receipt of these benefits. Without it, 89% of landlords are more likely to restrict who they let to.

As such the RLA recommends that the legislation should be piloted first before national roll-out. It should be subject to a review of the impact on the local court capacity and the rates of homelessness in the area. If, as expected, it creates significant court delays or increased homelessness then measures to improve these issues should be implemented and their successes tested ahead of rolling this legislation out nationally.

For further information:

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