

Get Living – Renters Reform Bill Written Evidence Submission

1. Introduction

- 1.1. Get Living welcomes the opportunity to submit views to the Renters Reform Bill Committee on the scope and implementation of the Renters Reform Bill.
- 1.2. As the UK's leading Build-to-Rent (BtR) developer and operator, Get Living recognises the importance of the bill and strongly supports the Government's commitment to raising standards in the Private Rented Sector (PRS).
- 1.3. The BtR sector has always welcomed steps that provide renters with better protection and access to high-quality homes. BtR is a central part of the solution to raising standards in the rental sector. By professionalising the rental market, BtR not only makes a significant contribution to housing supply and economic growth, but also offers quality, safe, energy-efficient homes with a visible and accountable landlord.
- 1.4. Notwithstanding our general support for the bill, there is a significant risk that some proposals in the bill could undermine long-term renters, placemaking and the communities we seek to build.

2. Context

- 2.1. Get Living is the UK's leading (BtR) investor, developer and operator. At the time of writing, we operate 4,000 rental homes in London and Manchester, with a further 2,300 homes launching in the next 18 months and 4,000 in the pipeline in towns and cities across the UK, including Birmingham, London and Leeds. We are long-term investors that focus on providing high quality rental homes in large-scale neighbourhoods with a focus on sustainability, placemaking and social value.
- 2.2. According to figures by the British Property Federation¹, the BtR sector has achieved 13% growth year-on-year since 2021. There are now more than 230,000 BtR homes in the UK either completed, in construction, or in some stage of the planning process. Recent research conducted by Savills² shows that by 2032, 8% of UK homes for rent will be purpose-built, up from 1.5% today. The analysis also predicts a continued evolution in the market, with single-family homes making up almost a fifth (18%) of BTR stock in ten years' time compared to 12% today.

3. Abolition of Section 21

- 3.1. Get Living strongly welcomes the Government's intent to abolish Section 21 and the recent commitment by the Secretary of State that this would be partnered with the introduction of an effective mechanism to legitimately remove people who are displaying anti-social behaviour or withholding rent payments.
- 3.2. Abolishing Section 21, while necessary, requires investment and reform of the courts and Tribunal service, including digitisation. Without this, the sector is open to exploitation, leaving rent-paying tenants and neighbours of anti-social residents at a significant disbenefit.

4. Minimum tenancy terms

- 4.1. The bill currently includes the ability for renters to serve two months' notice as early as Day One of their tenancy, despite landlords having no capacity to utilise re-possession grounds until after a six-month protected period has passed.
- 4.2. This is likely to result in a number of unintended consequences including:
 - 4.2.1. Increased transiency in our local communities and our ability to prioritise long-term renters diminished in favour of short-term lets;
 - 4.2.2. Less opportunity to foster long-term communities where people can connect and belong;
 - 4.2.3. People abusing the two-month minimum term to use properties as party flats or for anti-social or illegal activities, especially in urban locations;
 - 4.2.4. People abusing the two-month minimum term to use properties that are meant for families, as summer holiday lets;
 - 4.2.5. The exacerbation of housing affordability issues as landlords increasingly request up-front payments to ensure greater control over the churn of their properties;

¹ Build to Rent Q2 2022, Prepared by Savills for the British Property Foundation, July 2022

² 'Ten years on from the Montague Review,' Savills, Oct 2022

- 4.2.6. Increased operational costs as a result of increased maintenance and re-letting costs; and
- 4.2.7. Increased risk and cost assumptions in the investment underwriting process and a significant loss in new BtR investment.
- 4.3. Get Living's own tenancy data demonstrates that the newly proposed system, while well-intended, seeks to solve a problem that does not need fixing – especially in the BtR sector. Yet, it risks causing serious, unintended consequences on the ability to operate long-term stable communities.
 - 4.3.1. 90% of our residents across our circa 4,000 homes are signed up for tenancies of 12 months or longer.
 - 4.3.2. Only 3% of our residents are signed up for tenancies of 6 months, showing that demand for shorter tenancies is extremely low.
 - 4.3.3. Successful, vibrant communities are built by the people that live in them and at Get Living we want to create neighbourhoods where people feel they can establish long-term connections. We are proud that on average, residents rent with us for 22 months.
- 4.4. Therefore, one of the measures we are proposing to include in the Renters Reform Bill is the introduction of a **six-month minimum tenancy**, following which tenants could issue a two-month notice. This measure would give confidence to investors to back rental supply and ensure we can build sustainable and close-knit long-term communities.
- 4.5. However, Get Living recognises the need to ensure tenants remain protected and be given the right to exit a contract should the property not meet appropriate standards. As a result, we believe there should be exemptions to the six-month minimum term should the rental property:
 - 4.5.1. Fail to meet the Decent Homes Standard as established in the bill;
 - 4.5.2. Be mis-sold or falsely advertised – as arbitrated by the proposed PRS Ombudsman; or
 - 4.5.3. Have defects which are not rectified within a reasonable timeframe after being raised by the tenant.

5. Rent reviews

- 5.1. As it stands, the bill currently provides a nearly unfettered right for tenants to contest rent increases deemed as above “market rate” through the First Tier Tribunal (FTT), with the only constraint being a 6-month limit. This stated aim is to enable challenges if rises seem unjustified by the market.
- 5.2. In a meeting with DLUHC's Rental Reform Bill team in September 2023, officials clarified that the rent on any unsuccessful challenge would be backdated to when a Section 13 was first issued, however the bill does not provide clarity around how “market rent” is assessed. Further clarity on rent setting is needed – in particular on how the ‘local panels of experts’ used to assess “market rent” are appointed, funded and given the right tools and time to appropriately consider each and every case.
- 5.3. Clarity is needed in primary legislation on how “market rent” is set, to ensure tenants only challenge rent reviews with legitimate reason. This would involve placing the right to challenge within defined limits and ensuring in writing that the rent rise is backdated to when the notice was first given, if found to be legitimate.

6. Conclusion

- 6.1. We agree that for too long renters have had to tolerate poor quality housing and unfair treatment from unscrupulous landlords. Get Living and its peers are motivated to do our part to help solve the housing crisis. That is why, as a sector, we have always been supportive of legislation that raises standards.
- 6.2. However, certain elements of the bill as it stands run the risk of over-regulating the sector in ways that do not address the key concerns of residents, and significantly impairs the Build-to-Rent sector's ability to attract investment into the UK's housing market in a time where further house-building is urgently required.
- 6.3. We therefore urge the Committee to review proposed legislation on minimum tenancy terms and rent review mechanisms in light of the points made in this document.
- 6.4. Should the Committee be interested, Get Living's Chief Executive would appreciate the opportunity to provide further Oral evidence.