

Get Living – Renter’s Rights Bill Written Evidence Submission

1. Introduction

- 1.1. Get Living welcomes the opportunity to submit views to the Renter’s Rights Bill Committee on the scope and implementation of the Renter’s Rights Bill (“The Bill”).
- 1.2. As one of the UK’s leading Build-to-Rent (BtR) developer and operators, 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 delivering new homes and 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. Founded in 2013 with the UK’s first large-scale, build-to-rent neighbourhood at East Village, Stratford, Get Living is a leading provider and operator of BtR homes in the UK, backed by purpose-driven pension fund investment and with a commitment to long-term placemaking.
- 2.2. Today, Get Living has almost 5,000 homes for rent in town and cities across the UK, including Manchester and London, with a further 2,600 homes in the pipeline in Birmingham, Leeds and elsewhere. As long-term investors providing high-quality rental homes in large-scale neighbourhoods with a focus on sustainability, placemaking and social value, we are well placed to contribute to the delivery of thousands of additional homes, market rental and affordable tenures alike.
- 2.3. Our residents benefit from energy-efficient homes, secure tenancies and a commitment to best-in-class service.
- 2.4. 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 Minister of State that this would be partnered with clear and expanded possession grounds to evict tenants in circumstances where that is justified and reasonable.
- 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;

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

- 4.2.4. 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;
 - 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 as a result of less visibility of income and greater churn.
- 4.3. Get Living's 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. Recent polling from Opinium Research³ also shows that renters are looking for long-term rental security. On average, those polled consider an ideal minimum tenancy length is 5.2 years, and almost three in ten (29%) would ideally like to rent for more than 10 years.
 - 4.3.4. Successful, vibrant communities are built by the people who 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 Renter's Rights 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 the 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.
- 4.6. The former Levelling Up and Housing Committee also supported an increased minimum term, stating that tenants should “be unable to give two months’ notice to leave until they have been in a property for at least four months. This will give landlords the legal certainty of at least six months’ rent at the start of a tenancy.”

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 six-month limit. This stated aim is to enable challenges if rises seem unjustified by the market.
- 5.2. Clarity is needed in primary legislation on how “market rent” is set to ensure tenants only challenge rent reviews with legitimate reason. Without this, there is concern that almost all PRS households will have an incentive to challenge their rent increase (at no cost or risk), causing an exponential increase in caseload for the FTT.
- 5.3. To make this process reasonable to all parties, Get Living suggests that, where challenges are unsuccessful, new rents should take effect from the date on the Section 13 notice.
- 5.4. We also propose that the FTT be given the ability to increase the rent to a level above that requested by the landlord in the Section 13 notice.
- 5.5. To address concerns about the capacity of the Tribunal to process cases in a timely way, the Government should consider a more efficient rent-setting process. Prior to the Tribunal hearing an appeal, the proposed increase and a tenant's appeal should be heard by an independent assessor to filter out spurious appeals.

³ Opinium Research, on behalf of Get Living, polled n=1,500 adults who are currently renting in the UK, July 2024.

6. Court reform

- 6.1. The abolition of Section 21 will also make the PRS dependent upon the Section 8 procedure to deal with problematic tenants.
- 6.2. The Section 8 process is currently slow, inefficient and difficult for landlords. Even after a possession order is made by the court, there can be a delay of several months before it is effected by bailiffs, causing significant accrual of arrears, which are invariably impossible to recover.
- 6.3. Without reform and investment, including end-to-end digitalisation of the process and significant new funding to increase the capacity of the county courts, including their bailiff teams, the PRS will not function for landlords or renters. Powers for landlords are only as good as access to the courts – and landlords are typically waiting 6-12 months.
- 6.4. Delays resulting from all possession procedures will make BtR significantly less attractive for investment, reducing the sector's capacity to deliver private rental homes.
- 6.5. End-to-end digitalisation of Section 8 should be in place, and the requisite new judges and bailiffs should be hired before Section 21 is abolished and the new possession grounds are brought into force. Without this, it will be harder to secure the investment required to deliver the rental homes the UK needs.

7. Conclusion

- 7.1. 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.
- 7.2. 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 BtR sector's ability to attract investment into the UK's housing market at a time when further house-building is urgently required.
- 7.3. We therefore urge the Committee to review proposed legislation on minimum tenancy terms, rent review mechanisms, and court reform in light of the points made in this document.
- 7.4. Should the Committee be interested, Get Living's Chief Executive would appreciate the opportunity to provide further Oral evidence.