

Written evidence submitted by James Scollard (RRB26)

Renters' Reform Bill

1 Introduction

This document is in response to the proposed Renters' Rights Bill.

This document produced by James Scollard, qualified with industry recognised qualifications in lettings and property management, dealt with over 2,500 tenancies on behalf of clients when owning his own letting agency, and current landlord with numerous residential and commercial properties.

PART 2

2.1 The proposal & why the bill is introduced to end Section 21, to end: "to evict tenants from their home with little notice and minimal justification".

2.2 The rhetoric for '**no-fault**' evictions in the media has been wrongly taken on by the Government officials. It should be '**No-explanation**' evictions. 'No fault' eviction suggests the S21 is given for no reason and no fault on behalf of the tenant. However, it's important to understand every one of the eviction notices issued, has been done so for a reason. **Numerous different reasons.**

2.3 For years, tenants would contact the local council about the potential of going down the social housing route and for years the local housing officers would advise them "She needs to be served with an eviction notice before they can rehouse her but not to make herself "intentionally homeless". The tenant would then contact the landlord and ask the landlord to send a Section 21 eviction notice.

2.4 From a Landlord (classic case), "Hello, our situation is, we have had a tenant in place for around 5 years, never increased the rent (single mum with 2 kids) you try not to make peoples' lives harder than they need to be. Always conducted repairs, always acted as a model landlord. The time has come to sell (you know why) and we served the necessary docs with a leave date 15th September 2023. Today, the tenant has informed me, **the council have told her that the tenancy does not end if she refuses to leave, but only ends if a bailiff evicts her. The council have advised her to stay in the property, and if she leaves, she will be making herself voluntarily homeless and they will not help her.**" The local council must legally duty to rehouse the homeless and provide emergency housing.

2.5 In hindsight, I would have liked the Government to make it a mandatory requirement all section 21 notices to be served via the .GOV website and the reason for the eviction added. We would then know X% of Section 21 is due to landlords selling, Y% of Section 21 is being used as a route to social housing, Z% of Section 21 is due to anti-social behaviour. Instead, policy is being created without the insights or data required.

2.6 Policy is being created from certain organisations lobbying the policy makers. They provide a voice to the homeless, yet house no one, provide no accommodation and therefore, do not encounter the issues, problems and needs of both Tenants and Landlords. Policy should be created on data and facts.

2.7 The fact is, landlords need the ability to evict tenants. If you restrict this ability, **the risk increases.** All providers, directly involved such as Landlords, or indirectly such as buy to let mortgage lenders will not only move out of the sector, but there will be ongoing negative consequences to Tenants. An example is, the referencing process will be become stricter and harder to obtain a rental property. Letting agents

and landlords will become much more cautious. This will affect the vulnerable and less savvy in this sector.

Part 3

3.1 The new government is keen to push through a wonderful new piece of landmark legislation, a legacy of success, however, a word of caution is needed, the consequences on the housing market could be far reaching into the economy. It will be up to the following government to repair the damage. In the 1960's 50% of the population rented their home and it was 'Thatcherism' with home ownership at the forefront of Government policy, this brought this figure down to 9%. Currently, today it stands at 25%.

3.2 **Selective Licensing.** Bureaucracy and unnecessary red tape serve no one. The bill includes a compulsory National database. The local council can issue an enforcement notice if a landlord advertises a property to rent without registering with a £7,000 penalty, which seems excessive. £40,000 for repeat offenders. Landlords will be forced to pay to register on this new database. Firstly, I am concerned about the right to Landlords privacy, and accessible data to be used by fraudsters and a 'big brother' approach to further target landlords.

Secondly, the bill also **will not** end 'Selective licensing', another landlord database used by councils, which landlords are forced to pay for. The bill states "the database will provide access to local councils for enforcement action, for non-compliant properties, and who owns them. Surely, this database should replace selective licensing and for the new database to replace Selective licensing and not be an addition to them. Two systems, duplicating the work and aims will result in a waste of local authority time and resource. In addition to landlords paying for two systems.

3.3 **Anti-Social Behaviour.** This is a **main reason** why a Section 21 is used. I think it's important to outline what anti-social behaviour looks like, having to deal with it, and imagine your mother having to endure living next door to this type of behaviour. Think of a block of flats.

Anti-social behaviour could include aggressive behaviour, swearing at the neighbours, flicking fag butts off the balcony (annoying the neighbour on the ground floor who is obsessed with a beautiful garden) smearing the communal areas with excrement, drunk and weeing in the communal areas, after parties at 4am with excessive noise, ringing the doorbell at 4am, 4 nights a week, cocaine and cannabis smelling throughout the block of flats, alcohol issues, alleged rapist, alleged drug dealer, alleged brothel. Everyone knows it's a brothel, **prove it.** The police are not interested.

Currently, anti-social behaviour is a **discretionary ground.** If you have had to endure the above behaviour, **then prove it.** Any solicitor or letting agent will advise a landlord does not want to go to court on a discretionary ground. The whole process can be 12-18 months to serve notice, issue court proceedings, employ a bailiff. In the court room, the tenant simply states "**wasn't me**". Prove those fags butts came from my mouth. Prove the excrement on the wall is mine. Prove I'm a drug dealer. Now, think of your mother living with next door.

Therefore, **landlords are advised to use a Section 21 Notice – a guaranteed possession.**

No explanation needed.

With this bill, I will have to ask landlords to video record the tenants at 4am. To call the police and ask them to smell the cannabis and provide a written statement as evidence. Think of road rage, it lasts minutes. Think of litigation, how stressful this is over a period of months or years. The landlord or neighbours, will be stuck in a living nightmare situation.

People (landlords) will **become highly frustrated** (finding it difficult to prove / gain evidence) Currently, they can issue a Section 21 Notice and guaranteed possession, giving hope and an end to the matter. This bill removes this ability and is actually dangerous, in my opinion.

If the law is not adequate to protect all parties, people will take the law into their own hands.

Example. I have to deal with a tenant who was playing loud music, 1am, 4am, 6am, throwing things off his balcony into the communal gardens, looking through neighbours letterboxes etc. I had 20 flats call me, ever week, asking me to **'deal with my tenant'**, I couldn't because he had a breakdown. The police were not interested, the mental health team was no interested (they cant section someone in their own home), the family was not interested. The landlord had cancer and didn't want to deal with it. I couldn't go to court because he was not of sound mind. In the end, the only solution left to the landlord was let the mortgage lender repossess the property. This dragged out for months. The stress was incredible.

3.4 **Student market.** Over 50% of students live in the PRS – Private Rental Sector. Many colleges have zero accommodation. In my home town of Bournemouth, we have one of the largest chiropractic colleges in Europe, with international students from across Europe. They nearly all live in the PRS. The model works having a fixed term for 11 months. They know the exact income and timescales. Many students, more than 80% would like 8 month contracts. Therefore, without fixed terms this market won't work. The corporate lobbyists have managed to put this point across and the large purpose built student blocks are exempt. The government are keen to protect corporate landlords.

3.5 **Rent Arrears.** This normally comes about with a lifestyle change, for example, losing a job or splitting up with a partner. I would be interested to see what the 'debt advice' companies say about extending rent arrears period. With debt, early action is needed. A change in circumstances (eviction) can be one of the best outcomes for that person. If a person can no longer pay the rent, all the policy makers are doing is **increasing the debt** levels. Currently, the majority of landlords 'write off' a small amount of debt, its not worth going to court over. However, if the debt is larger, then its **worth pursuing the tenant through the courts** and obtaining a 'statement of earning' or County Court Judgements to ask debt collectors to chase the debt. No one benefits from this. The lobbyists think they are helping tenants extending this, but they are not.

The new bill Ground 8, states *"when calculating how much rent is unpaid for the purpose of this ground, if the tenant is entitled to receive an amount for housing as part of an award of universal credit under part 1 of the Welfare Reform Act 2012, any amount that was unpaid only because the tenant had not yet received the payment of that award is to be ignored."* **Imagine for a second**, this is me, your letting agent explaining this paragraph to you, the landlord.

The proposed bill will hurt and **affect the most vulnerable** in our society.

3.6 **Removal of Fixed Terms.** This allows a tenant to move in and the following day give two months notice. Currently, the sort term accommodation / airbnb market cater for contractors. Contractors will take an airbnb for 2 to 4 months and leave. However, the rent on the airbnb market is 3 times higher. Contractors will take a commercial decision to enter the PRS, rather than the airbnb market. These two markets will merge and the result will be higher rents to tenants, competing with contracts.

The irony is renters want longer fixed terms, they want security of tenure for 3 years or 5 years, knowing they are secure in their home and fixed rent for 5 years. Like families that have a child going to the local primary school. Many landlords are also happy with this because it matches the 5 year fix mortgage. Instead renters have the exact opposite with this bill.

Removal of the fixed period achieves very little. It gives an increased flexibility, they can move out after two months, rather than the current 6 month term, but its hassle for the renter. Many tenants would enjoy a 5 year fixed term. The direct opposite of the proposal. The irony with new policy its the direct opposite. Smart motorways being the most dumb. Social renters reform hurting renters the most.

Rent Increases. The proposed bill will allow renters to dispute any proposed rent increase without recourse. The first tier tribunal will be inundated, the tenant has nothing to lose, and everything to gain. Delaying any rent increase for a year.

The first tier tribunal normally asks for comparable evidence, a written report from the landlord, they want to view the property and the time and cost for landlords, plus the case can easily take 9-12 months. The advantage to the tenant, is they can delay any rent increase by up to a year simply by applying and disputing, even if they lose. The rent increase will only happen once the first tier tribunal makes a decision. Firstly, there will be backlogs, secondly, its not fair, thirdly, everyone will be playing the system. Landlords will exit and be fed up, or interest rates increase, hyper inflation, or another reason a rent increase is essential.

PART 4

4.1 Aims of the Bill.

➤ **Abolish Assured Shorthold tenancies**

- Going back to the 1970's & Pre-1988, with Assured Tenancies.
- A Mistake
- It was changed for a reason & the AST result improved the rental market.

➤ **Abolish Section 21 'no fault' evictions**

- A Mistake
- They are not 'no fault' evictions, they are 'no-explanation needed' evictions
- Landlords need to be able to easily evict bad tenants.

"A Section 21 was never a 'no-fault' eviction, it was a tool for landlords to simply end a contract effectively self-policing the situation with a common sense approach."

➤ **Reform and expand the grounds for possession**

- A Mistake
- By removing a guaranteed 'no explanation needed' eviction process
- The new grounds are not nearly sufficient

➤ **Limit rent increase to no more than once per year and place requirements on service of notice.**

- This is fine. Changes nothing really.
- Most Landlords already use the Section 13 notice anyway.
- A notice that can only be issued once per year anyway.

➤ **Prohibits the practice of 'rental bidding'**

- This is fine. Changes nothing really.
- The Tenant Fee Ban Legislation only allows one holding deposit to be taken.
- In 30 years, thousands of tenancies, I've never experienced 'Rental bidding'

- **Give tenants the right to request a pet**
 - This is fine. Tenants can already request to have a pet.
 - Changes nothing.

- **Make it illegal for landlords to discriminate against benefits & children**
 - This is fine. Its already illegal & this will change nothing.

- **Introduce a new ombudsman**
 - Free for Tenants, landlords can't use.
 - Good luck with finding people that are willing to work there.
 - More landlords will exit with the Rent Repayment Orders.

- **Create a National Database of Landlords**
 - Again, good luck with that, it will not be popular.
 - Landlords to pay for it. No advantages to Landlords, just cost.

A breach by the landlord will result in **sever punitive action**. A breach by a tenant, no penalty, no action.

There is no balance. **This bill will only cause more issues.**

PART 5

5.1 **Renters want the direct opposite.** They want security of tenure, longer fixed terms. Renters want the ability to fix their rent for longer periods. (not forced rent caps) but negotiated long term fix contracts, by mutual agreement from both parties. 6 years ago, I negotiated a 7 year lease with a fixed £25 per year increase.

Rents. In real terms, considering inflation, rents are cheaper than 2016. The issue is inflation has been high, food, material, rents have kept broadly in line. The problem is 'Wage Inflation' is behind and therefore, we have the 'cost of living' crisis, including rents.

5.2 The proposed bill is dangerous and needs amending.

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