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Clive Betts MP
House of Commons
London
SW1A 0AA

X October 2024

Dear Clive Betts MP,

Thank you for inviting Citizens Advice to give evidence to the Renters' Rights Bill Committee last week. I wanted to follow up and provide Committee members with further information on a number of points raised during the session.

There is a lot to welcome in the Bill and we are pleased the government has prioritised the swift passing of this legislation after renters have waited so long for reform.

At Citizens Advice we're helping more people than ever before with evictions and homelessness. We're currently supporting around 100 people every day across the country with a Section 21 eviction - this number has been rising year-on-year since 2019. We're also helping almost 400 people per day with a homelessness issue and we see that Section 21 evictions have been one of the leading drivers of this.

This has been putting severe pressure on the people affected, as well as local authorities to support them, as I'm sure Committee members have seen in their own constituencies. Ending Section 21 evictions is therefore long overdue.

While the Bill as it stands will improve things for renters, there are areas we think the legislation could go further on to ensure new protections are watertight and the risk of any unintended consequences reduced. We have some key recommendations for the Committee's consideration:

1. End the practice of requesting numerous months' rent upfront

The formalisation of the 'No DSS' ban is welcome but low income renters will likely still face indirect discrimination through prohibitive demands for multiple months' rent

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upfront or securing a guarantor with a minimum salary. Requests for guarantors and multiple months' rent in advance serves to lock people without savings or on a low income out of properties, or pushes people into potentially harmful debt to try and secure a home. To address this, the government should consider using the Bill to limit requests for upfront rent to 1 month only.

2. Help low income renters manage the cost of moving home

The extension of the notice period for new no fault evictions to 4 months to give people longer to find an appropriate and affordable home before their tenancy ends is welcome. But in reality it will fall short of its aim if practical implications aren't addressed. The vast majority of new rental listings have proposed start dates less than two months after they are advertised so it is highly likely there would be an overlap between the old and new tenancies resulting in renters having to pay double rent, which is impossible for many. Tenants need to be able to search for a new home for the entirety of the 4 month period and enter into a new tenancy at any point during it. Government should introduce both a 2 month rent waiver for new no fault evictions and a 1 month notice period for tenants within the eviction notice period to address this.

3. Ensure renters can fairly challenge rising rent costs

The likeliest route to backdoor Section 21 evictions is forcing tenants to leave by hiking up the rent. It is a positive step that the Bill will ensure that tribunals will no longer be able to recommend a rent higher than that being challenged. But it is crucial that 'market rate' is set by rents people pay, not advertised rents, particularly in the light of the ban on bidding wars which, while welcome, increases the risk that landlords and letting agents will start to advertise properties at a higher price. The new property database could be used for this: if the rent paid on each property is recorded, this could be used by the tribunal and tenants to determine whether a proposed rent increase is fair compared to similar properties in the area.

4. Extend the initial protection period from 1 year to 2 years

We are pleased that the Bill provides an improved initial protected period of 12 months for renters starting a new tenancy but the risk of moving after just one year still makes it difficult for renters to put down roots in an area, such as getting children enrolled and settled in at school. We think the Bill could go further and ensure that renters are

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protected from eviction through the new no-fault grounds for the first two years of a tenancy.

5. Make new no fault Grounds 1 and 1A discretionary

Some renters are in highly vulnerable situations, such as being terminally ill, and will face greater barriers to moving home. The government should make the new 'no fault' grounds discretionary so that in extenuating circumstances the court can work with both landlords and tenants to find a fair route forward for all parties. This could include giving the tenant more time to move by suspending possession until contracts have been exchanged on the sale, for example. The court could also explore if the landlord has another property the tenant could move into, or whether the property could be sold with a sitting tenant, allowing them to remain in their home.

As mentioned during the evidence session, the Bill is crucial for improving security for renters but there are other levers the government can pull to address affordability challenges. Our data shows 43% of low income private renters are already in a negative budget - where essential outgoings are higher than their income. Low income private renters are expected to spend nearly half of their income this year on their rent alone. And in the past year we've seen a 107% rise in private renters coming to us for help with rent increases. We also found 39% of all renters have cut back on heating, food and other essentials to pay their rent and one third of renters have had to use credit and other borrowing to pay their rent.

We have called on the government to use the Budget this week to uprate Local Housing Allowance to the 30th percentile of local rents (due to be refrozen in April). The people we support with debt advice who receive housing support are dealing with a gap of £131 per month between their allowance and their rent on average - this shortfall will only grow further without government action to unfreeze LHA. We think this link should be maintained permanently rather than reviewing it each year to give people some certainty over their housing costs.

On affordability more broadly, we support the Renters' Reform Coalition call to establish a National Rental Affordability Commission to look into the ways in which the impact of surging rents can be addressed. We also agree with what others raised during the session that longer term, increasing the availability of homes in the social housing

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sector is vital to help renters on low incomes reduce their housing costs and ensure they live in a home most appropriate for their circumstances.

The Renters' Rights Bill is a once-in-a-generation opportunity to get the detail right and ensure the Bill hits the mark to improve living standards for renters. Thank you for engaging with Citizens Advice and we look forward to continuing to follow the Committee's vital work on this.

Yours sincerely,

Tom MacInnes
Director of Policy at Citizens Advice

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