

Delivering a Fair and Efficient Private Rented Sector

*British Property Federation's Position on Residential
Tenure Reform in England*

BPF is supportive of reform to tenures in the Private Rented Sector (PRS) and views this moment as an opportunity to create a fairer and more efficient system for investors and residents alike. A fair and efficient system will enable a better experience for residents, more efficient management for investors, and encourage continued investment to build much-needed high-quality rented housing supply.

SYSTEM WIDE REFORMS MUST BE DELIVERED TO PROVIDE FAIRNESS AND EFFICIENCY. THE GOVERNMENT MUST:

1

Retain fixed term tenancies as part of the reforms

Most BPF members offer long-term (typically 3 years) fixed term tenancies, providing security for residents and ability for investors to manage asset refurbishment timescales. Fixed term tenancies are also essential for student lettings and must remain as part of the PRS tenure system.

2

Streamline and improve the grounds for possession

Investors must be able to repossess their properties quickly where it is legitimate and necessary to do so – such as in cases of antisocial behaviour, renovation or refurbishment, convictions of a serious offence, rent arrears etc. In the absence of Section 21, strengthened grounds must exist for quick repossession.

3

Embark on comprehensive court reform through investment and digitalisation

In the absence of Section 21, investors are likely to need to rely more on an already-stretched and inefficient court system. Investment in the courts, particularly in digitalisation, will cope with caseload and provide the access to justice that investors and residents should expect.

4

Recalibrate the relationship between investors and local authorities

Investors often rely on local authorities to help resolve anti-social behaviour. In a reformed system, the Government must set out roles and responsibilities expected of both parties. In addition, the confluence between local authority rehousing duties and the eviction process must be revisited.

5

Ensure alignment of other Government policy ambitions and ability for the industry to deliver and comply

The Government has existing and will have future policy ambitions that require the sector's help – such as the minimum energy efficiency standards (MEES). Government must ensure that investors are enabled to achieve these policy ambitions when determining which reforms to implement in the PRS.

6

Continue to rule out Rent Controls

International examples of rent controls, such as Berlin, Germany, have proven to be ineffective interventions with detrimental impacts on housing.

OUR POSITION EXPLAINED: KEY PROPOSALS

1 Retain fixed term tenancies as part of the reforms.

Proposed initiatives include:

- Long term fixed term tenancies to provide security to residents.
- Determining the role of mutually agreed break clauses to provide flexibility to both investors and residents.
- Allowing student lets to continue to operate with fixed-term tenancies, and therefore catering for the needs of the majority of students and their education providers.

2 Streamline and improve the grounds for possession.

Proposed initiatives include:

- Rewriting some mandatory grounds in the absence of S21 (a full list of recommendations can be found in our full response ([link](#))).
- Applying Accelerated Possession proceedings (APPs) to a selection of grounds.
- Rectifying any anomalies in notice periods.

3 Embark on comprehensive court reform through investment and digitalisation.

Proposed initiatives include:

- Digitalisation of the administrative process for possession claims – from application, provision of evidence, online tracking, requests for warrants.
- It will be an important indicator of the Government's commitment to effective reform that investment in digitalisation forms part of the forthcoming Spending Review.
- Digital hearings where both parties agree to it.
- Clear guidance on housing cases and expert judges – or a designated housing court.

4 Recalibrate the relationship between investors and local authorities.

Proposed initiatives include:

- A comprehensive review of the role of local authorities in the eviction and rehousing process, especially in relation to helping landlords tackle anti-social behaviour.
- Set clear obligations of both parties via a formal document e.g., concordat.
- Additional resources and support for local authorities to support the new tenure system.

5 Ensure alignment of other Government policy ambitions and ability for the industry to deliver and comply.

Proposed initiatives include:

- Ensuring investors are able to repossess properties efficiently for refurbishment to meet Net Zero 2050.
- Ensuring a new tenure system provides investors with certainty and confidence to continue supplying England with quality rented housing, contributing to the Government's own housebuilding targets.

6 Continue to rule out Rent Controls.

Key proposals include:

- Ensuring that tenure reforms implemented do not become a back door for rent controls.
- Learning from the Scottish Reforms. There is little evidence in Scotland that rising rents are being used to effect an eviction.
- Continuing the use of the existing Rent Tribunal where a rise in rents is felt to be in effect forcing an eviction.

Position on other reforms proposed by Government:

A Landlord's register: BPF supports a compulsory landlord register that is sufficiently enforced and administratively efficient, such as the one proposed in the 2008 Rugg Review ([hyperlink if possible](#)).

Licensing: BPF supports the implementation of the recommendations of the Independent review of [selective licensing \(June 2019\)](#).

Some recommendations, such as exempting Purpose Built Student Accommodation from licensing will require primary legislation and should form part of any Renters' Reform Bill. Any licensing changes should be administratively designed to cater for investors with large portfolios and consider also how a register, licencing and redress all work together.

Compulsory redress: BPF supports compulsory redress. Many of our members are either members of the Housing Ombudsman Service or provide access to redress via their agents, or the Student codes. It will be important that Government also considers how cost-effective redress can work for smaller landlords.

Lifetime deposits: BPF supports the objective of this initiative but implementation of this must not overcomplicate processes and must also allow investors to make claims against the deposit.

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Who do we represent?

The BPF is the preeminent voice for large scale institutional investors in the PRS, including the Build to Rent (BTR) and Purpose-Built Student Accommodation (PBSA) sectors. We do not claim to represent smaller investors, though are likely to have some or many views in common.