Ministry of Housing, Communities & Local Government

Baroness Taylor of Stevenage Parliamentary Under-Secretary of State for Housing

> and Local Government 2 Marsham Street London

SW1P 4DF

House of Lords London SW1A 0PW

19⁴⁴ May 2025

Dear Noble Lovels

I would like to thank you all for your contributions during Committee stage of the Renters' Rights Bill. During the debate, you asked me to provide further detail on the government's legal analysis of the 12 month restricted period in the Bill. In particular, you raised the government's assessment on compatibility with Article 1 of Protocol 1 (A1P1) to the European Convention on Human Rights (ECHR). My apologies for the delay in responding.

Article 1 of Protocol 1 of the ECHR provides that natural and legal persons are entitled to peaceful enjoyment of their possessions. No one should be deprived of their possessions except in the public interest and subject to the conditions provided for by law. A State may, however, enforce such laws as it deems necessary to control the use of property in accordance with the general interest.

The ECHR memorandum for the Bill goes into detail about the core aims of the Bill and how the tenancy reform measures (of which the 12 month restricted period forms an important part) seek to achieve those aims in a proportionate manner. The memorandum has been published on the Parliament website at https://bills.parliament.uk/publications/58003/documents/5719.

As there is a lot at stake should the Bill fail to achieve its aims, it is worth repeating what those aims are first.

There is a critical need for reform in the private rented sector (PRS). It houses 11 million people or 4.7 million households. Gone are the days where it was home to students or young professionals not necessarily seeking to put down permanent roots. Now, over 30% of households in the sector have dependent children present and a growing number of private rented sector properties house people aged over 55.

The private rented sector offers the lowest amount of security to the tenant compared to other housing tenures (e.g. home ownership or social housing). This is due to the landlord's ability to issue a section 21 notice at the end of the fixed term (or in accordance with a break clause in the

tenancy agreement). Having to move house causes major upheaval and expense to tenants, particularly families with young children in school.

The ability of landlords to issue this no-fault notice causes more damage than simply taking away a person's home. The threat of retaliatory eviction hangs over tenants who in turn are not empowered to challenge poor landlord behaviour or unacceptable property conditions. In 2023, 21% of PRS homes failed to meet the Decent Homes Standard as applied to the social housing sector. In addition, research from Citizens Advice¹ estimates that 1.6 million children in the PRS are reportedly struggling with damp, mould or excessive cold in their home, which is unacceptable. Section 21 is also a leading cause of homelessness, which places significant pressures on our already-stretched local councils.

The gravity of the situation in the PRS requires a Bill which fundamentally changes the balance of rights between landlords and tenants. It does this by removing a landlord's ability to issue a section 21 notice (in so doing improving tenant security and empowering tenants in one swoop). We have carefully designed the possession grounds to ensure landlords can recover possession of the property where they need to. This government recognises that landlords should be able to recover possession in order to sell the property – and so there is a possession ground specifically for that purpose. This is a mandatory ground and is not subject on the face of the Bill to high evidential requirements (though we expect the Courts to require evidence of intention). I would flag this is not the case in other types of tenancy such as regulated tenancies or the current assured tenancy model.

The landlord's ability to evict a tenant in order to sell the property is therefore protected in the Bill. However it is essential that this ground is not misused or manipulated by unscrupulous landlords as a means to bring in a section 21 eviction via the backdoor. Failing to protect against that effectively would undermine the core aims of the Bill and the reform of the PRS.

I accept that a 12 month no re-let period is a tough rule for landlords. It is intended to be. It is intended to ensure that only the landlords who genuinely wish to sell their property (and therefore exit the PRS) will wish to use it and deters those landlords looking to evict a tenant in order to relet at a higher rent or to a different tenant from using it.

I appreciate the risk of the landlord's sale falling through. There are steps landlords can take to mitigate their risk in this regard. The Bill does not prevent a landlord with sitting tenants from marketing the property for sale or carrying out a valuation. It will be possible for landlords to gauge the market before they issue the section 8 notice and reach an informed view on how easy it will be to sell the property and at what price. From there, a landlord can make a choice based on their financial risk appetite. For a landlord genuinely wishing to sell the property, re-entering the PRS after the sale falls through will not deliver that – the Bill prohibits landlords from issuing a section 8 notice on Ground 1A for the first 12 months of a new tenancy. The landlord would, therefore, be better off continuing in their effort to sell the property, reducing the asking price if they need to. I would also note it is possible to sell the property with sitting tenants.

 $^{^{1} \}underline{\text{https://www.citizensadvice.org.uk/policy/publications/damp-cold-and-full-of-mould1/\#:} \sim text = Our\%20 research\%20 found\%20 that\%3A, cold\%2C\%20 damp\%20 or\%20 mouldy\%20 homes$

On that basis, I am content that this measure, alongside the other measures in the Bill, strikes the right balance between achieving the important aims of this legislation and the rights of landlords to deal with their property

I hope this is helpful and, as always, I would be happy to meet with Noble Lords to discuss this or any other points.

I will deposit a copy of this letter in the library.

Yours ever,

BARONESS TAYLOR OF STEVENAGE

Parliamentary Under-Secretary of State for Housing and Local Government