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Briefing: Renters' Rights Bill Second Reading

The Renters' Rights Bill is a watershed moment for England's 11 million renters. It can open a new chapter, bring fairness to renting and lay the foundations for private renters to put down roots in their communities. Renters have been failed for too long – living in a sector characterised by insecurity, discrimination, rising rents, and poor conditions - let down by a previous government who didn't deliver the reform that was promised. This bill is a critical opportunity to change that.

Shelter strongly welcomes the second reading of the Renters' Rights Bill and is campaigning to ensure that it is robust enough to provide private renters with genuine security and safety in their homes, as well as proper protection against discrimination.

The Bill represents a significant step in the right direction. We strongly welcome the measures introduced to give renters greater security, including the immediate abolition of Section 21 'no-fault' evictions, the extension of notice periods to four months, and the introduction of a 12-month no-reletting period. We are encouraged to see a commitment to tackling discrimination in the private rented sector, through plans that seek to prevent landlords from refusing to let to renters who claim housing benefit or have children without a valid reason. Additionally, if done right, the introduction of a landlord register will provide transparency and accountability in the sector, better enabling enforcement of existing and new standards, which is a positive step forward.

However, there are omissions and potential loopholes remaining that will leave some tenants vulnerable to economic evictions, dishonest evictions and discriminatory practices in the PRS. To deliver on promises made to renters, the Bill must go further to:

1. **Deliver genuine longer-term security for renters** by closing loopholes in the evictions system. This includes extending the protected period to two years, establishing clear evidence requirements for evictions, and ensuring all eviction grounds are discretionary.
2. **Tackle unfair rent increases** by limiting in-tenancy rent increases to align with inflation or wage growth, ensuring tenants are not forced out of their homes by unaffordable rent rises.
3. **Truly end renting discrimination by removing barriers that exclude struggling renters**, such as the demands for guarantors, large upfront rent in advance payments, and the discriminatory Right to Rent policy.

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The second reading presents a vital opportunity for MPs to ensure this legislation is as robust as possible to deliver genuine change for renters. To discuss the Bill with Shelter, please contact public_affairs@shelter.org.uk

Delivering genuine security for renters

The lack of security, stability and certainty for tenants and their families' is at the heart of the challenges in England's private rented sector. From frequent, short notice and costly moves to the fear of reporting disrepair or challenging unfair rent increases, renters live with insecurity day-to-day due to the prevalence of 'no-fault' evictions. For those facing eviction and the threat of homelessness, the physical, mental and financial toll is immense – **26,100 households approached their council in 2023/24, after receiving a valid Section 21 notice**. There are many more households that do not approach their council on receipt of an eviction notice. Shelter research suggests that **over 500 private renters are served a Section 21 notice every day – that's one every 3 minutes**.

The effects of this insecurity are most acutely felt by renters from marginalised backgrounds, reinforcing inequality and exacerbating vulnerabilities. **Shelter research shows that black and minority ethnic renters are over three times as likely to have been evicted**, served an eviction notice or threatened with eviction than White British renters. Disabled people, larger families and younger private renters also face heightened risks of eviction. For these groups, the impact of an eviction can be devastating due to the added barriers they face in securing new, suitable, accommodation.

The immediate abolition of Section 21 'no-fault' evictions is a crucial and welcome step. However, it is essential that the new system protects renters from unscrupulous landlords seeking loopholes to evict tenants unfairly. Stronger safeguards are needed to prevent frequent, unwanted and highly disruptive moves.

What the Renters' Rights Bill gets right:

- Extending notice periods to four months is a great step and will allow tenants more time to find a new home on receipt of a valid eviction notice.
- Introducing a 12-month no-reletting period is welcome and will discourage landlords from evicting tenants without valid reasons.

What needs improvement:

- Introducing a two-year protected period at the start of tenancies during which no-fault evictions are prohibited would provide renters with longer-term stability and security in their homes, as is the case in countries like Germany and France.

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- Clear evidence thresholds and post-eviction evidence requirements will ensure that landlords are accountable and honest in their reasons for repossession, as well as providing clarity on what constitutes a legitimate eviction.
- Ensuring all evictions grounds are discretionary will empower courts to prevent evictions where alternative courses of action exist, as is currently the case in Scotland.

To see our more detailed policy briefing on how the Renters' Rights Bill can deliver genuine security for renters, [see here](#).

Preventing economic evictions

The Renters' Rights Bill promises to finally abolish section 21 'no-fault' evictions. However, unfair evictions will only truly be a thing of the past if tenants are also protected from unaffordable rent hikes – which, for many, are equivalent to an eviction notice. **Over 300,000 renters have been forced out of their homes by a rent increase in the last 5 years.** With 'market rent' serving as the current ceiling for rent increases, many unfair rent increases would still be permitted in the current system. With the abolition of Section 21 evictions, we anticipate more landlords may turn to rent hikes, as an alternative method to achieve the same result.

The government has committed to reforming the current tribunals system to better support renters to challenge rent increases intended to force them out of their home. However, there has been no indication that this will change the rules on rent increases meaningfully. It will not be possible to protect renters from being forced out of their homes by a rent hike without setting fair limits to the proportions that landlords can increase the rent by each year. The current system is deeply uncertain for tenants, who must try to understand what "market rent" is, before deciding whether to go through the arduous process of challenging a rent increase at a first-tier tribunal.

Recommendation:

To truly protect tenants from being forced out of their homes, **yearly rent increases should be limited by the lowest of inflation (CPI) or wage growth (median wage growth averaged over 3 years)**. Shelter makes this recommendation jointly with the Renters Reform Coalition, with members from over 20 sector organisations.

Stabilising rents is commonplace across Europe and an essential part of long-term stable tenancies in similarly large rental sectors, such as Germany. Stabilising rents would prevent landlords passing on the entirety of their business risk to tenants, who are less likely to have savings and least able to afford to cover increasing costs during the ongoing cost of living crisis.

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To see our more detailed policy briefing on how the Renters' Rights Bill can prevent unaffordable rent hikes and implement a rent stabilisation policy, along with international comparisons, [see here](#).

Ending discrimination in the private rented sector

The Renters' Rights Bill presents a vital opportunity to tackle discrimination within the private rented sector and ensure fair access to housing for all prospective tenants. Landlords in the private rented sector have relative freedom when selecting tenants – often exploiting this freedom to impose near-untenable conditions on prospective renters. This disproportionately impacts households in receipt of housing benefit, which is a serious concern, particularly given that nearly a quarter (24%) of private renters rely on housing support. **The English Housing Survey found that nearly 100,000 households were refused tenancies in the last 12 months because they were in receipt of housing support.**

Making it illegal for landlords to discriminate against individuals who are in receipt of benefits or have children is a positive step forward. However, **requirements such as high sums of rent in advance and the need for a high-earning or home-owning guarantor are more often employed in a targeted and exclusionary way**, which works to lock certain groups of tenants out of the private rented sector. Groups such as women, single-parent households, Black and Bangladeshi households, and people with disabilities – who have protected characteristics under the Equality Act - are particularly impacted.

59% of private renters reported having to pay some level of rent in advance to secure a property, with some facing demands for 6 months or more upfront. Women, families, benefits claimants and people with a disability are more likely to be unable to afford rent in advance requests. **From a practical point of view, Universal Credit payments are paid in arrears, meaning that zero advance rent is made available to benefits recipients when trying to secure a home.** This effectively eliminates their ability to access a home in the private rented sector where large sums of rent in advance are demanded.

Equally challenging for people claiming housing benefit is the request to provide a guarantor. **45% of benefits recipients asked to provide a guarantor said they found it difficult, compared to just 24% of those not on housing benefit.** Additional criteria placed upon the appointment of a guarantor - that they should earn over a certain amount, be UK-based or own their own home - create further barriers for people trying to secure a private rented property.

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If we're to truly tackle discrimination in the private rented sector and ensure access to housing isn't blocked for households claiming housing benefit, methods of indirect discrimination must be tackled upstream

What the Renters' Rights Bill gets right:

- Making it illegal for landlords to refuse to let to renters who claim housing benefit or have children, without a valid reason.

What needs improvement:

- To tackle indirect discrimination upstream in the private rented sector, the Renters Rights Bill must be amended to limit rent in advance requests to a maximum of one month. This will remove a significant barrier to housing for low-income households and people in receipt of housing benefit.
- The Bill should further restrict the scenarios in which a landlord can legitimately request a guarantor to those in which a prospective tenant cannot prove that the rent is affordable to them.

To see our more detailed policy briefing on how discrimination in the private rented sector should be tackled, [see here](#).