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Briefing: Renters' Rights Bill Report Stage

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 promised reforms. This bill is a critical opportunity to change that.

Shelter strongly welcomes the swift progression of the Renters' Rights Bill through parliament. However, there remains omissions and potential loopholes that will leave tenants vulnerable to economic evictions, dishonest evictions and discriminatory practices in the PRS. This is **why we are asking MPs to add their names to each of the amendments below**, to help to make a fair, secure and affordable private rented sector a reality for renters across the country.

Amendment NC11, tabled by Alex Sobel MP, would restrict the circumstances in which a landlord can request a guarantor.

A barrier that many prospective private renters must contend with is the requirement to appoint a guarantor. In the last five years, 21% of tenants looking for a private rented property were asked to provide a guarantor, and nearly a third reported that they found it difficult to meet this demand. For those claiming benefits, securing a guarantor is even more challenging; 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 – creates further arbitrary barriers.

When landlords assess a prospective tenant's reliability, a 5-week deposit, the first month's rent, and passing an affordability check should suffice – it's unclear what additional assurance a guarantor provides. Only 2% of landlords surveyed by Shelter have attempted to claim lost rent from a guarantor. When you consider the disproportionate impact that guarantor requests do have, as an upstream method for discrimination, the role they play in private renting should be heavily restricted.

Amendment NC11 would strengthen protection against discrimination in the private rented sector, by restricting the circumstances in which a landlord can legitimately request a guarantor to those in which a prospective tenant cannot prove the rent is affordable to them. It also specifies that when a guarantor can be legitimately requested, they may only be liable for 6 months' rent.

Amendment NC3, tabled by Alex Sobel MP, caps rent in advance requests to one month.

Many tenants are asked to pay rent upfront at the beginning of their tenancy, creating a significant barrier to finding a privately rented home. 59% of private renters reported having to pay rent in

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advance to secure a property, with some facing demands for 6 months or more upfront. This has proved an impossible challenge for 835,000 tenants, who said the demand prevented them from securing a property in the last 5 years. In some circumstances, rent-in-advance requests act as a deliberate, upstream strategy to discriminate against certain groups in a covert way. These requests are a particular barrier for households on low incomes and/or in receipt of housing benefit, as they rarely have access to large lump sums of cash. Renters in receipt of benefits are especially likely to be discriminated against via rent in advance requests, because the benefits system actively discourages them from having the necessary savings: people in receipt of Universal Credit can only have up to £6,000 in savings (less than the average cost of a move) before it affects their entitlement.

It is important to recognise that rent in advance requests do have a disproportionate impact on individuals or households with a lower income, claiming housing benefit, or without a (financially) reliable support network. Where people do have savings that they can rely on, having to fulfil requests for large amounts of rent upfront can also leave them in a financially vulnerable position.

Amendment NC3 is a simple, yet effective way to level the playing field, ensuring that access to private rented homes is fair for everyone.

Amendment 9, tabled by Paula Barker MP, establishes an index by which annual in-tenancy rent increases ("Section 13 rent increases") are limited, to the lowest of inflation or median wage growth.

Once Section 21 'no-fault' evictions are abolished, there is a real risk that rent hikes will be used by unscrupulous landlords to force tenants out. A private rented sector that pushes people to move regularly, or that leaves renters financially struggling after paying their rent, is unsustainable and a driver of economic stagnation.

A third (34%) of private renters pay 50% or more of their income on rent; well beyond the 30% that is commonly regarded as the upper limit of 'affordable'. Alarming, 29% of renters say they could not afford any rent increase at all, while a further 24% say they would need to cut back on essential spending, fall behind on bills or need to borrow money. Recent Shelter research reveals that nearly two-thirds of workers living in private rented housing struggle to pay their rent - the extortionate costs of privately renting are significantly contributing to widespread financial hardship.

Amendment 9 introduces measures to stabilise rents during tenancies. This would make renting more sustainable for the long-term, thereby ensuring the government can genuinely meet its commitment to deliver greater security for renters in England, in addition to empowering them to challenge unfair rent increases via Tribunal.

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Amendment 7, tabled by Paula Barker MP, outlines a minimum standard for the information required in the Private Rented Sector Database.

A key reason why enforcement in the private rented sector is so challenging is the lack of data on where private rented properties are and who owns them. Transparency in local rental markets, therefore, becomes a problem. While the Renters' Rights Bill introduces the framework and legislative powers to establish a Private Rented Sector Database, its effectiveness hinges on the database being comprehensive, detailed and current.

Local authorities' enforcement teams spend already scarce resources gathering information on landlords and agents – time and resources that could be better spent conducting actual enforcement action. A lack of data available to local authorities and, particularly, to the public, could mean that unscrupulous landlords do not feel sufficiently disincentivised from continuing to flout laws and their responsibilities to their tenants. Without the database that collects a comprehensive amount of information, local authorities will still struggle to enforce the new standards and regulation.

A fully functioning, detailed database, as outlined in Amendment 7, has the potential to drive up standards in private renting and ensure the rights and regulations in the Bill are implemented effectively.

For more detailed information on these issues and amendments, you can access our full briefings here: [guarantors \(NC11\)](#), [rent in advance \(NC3\)](#), [national landlord register \(7\)](#), [rent stabilisation \(9\)](#).

If you would like to add your name to any of these amendments, please feel free to contact us at public_affairs@shelter.org.uk.