

Managing the rental market shake-up

With property prices hitting a two-year high and rents up by around 8 per cent over the past 12 months, it should be a good time for buy-to-let landlords. However, the new Renters' Rights Bill, which abolishes no-fault evictions in England, is scaring some landlords away.

No-fault evictions

No-fault eviction, known as a section 21 eviction, currently means a landlord can easily obtain possession of their property without giving a specific reason. The change means a landlord will need valid grounds for regaining possession:

- If the tenant is at fault – antisocial behaviour, damaging the property, significant arrears – the landlord can give notice at any point in the tenancy.
- In the case of arrears, the mandatory threshold is to be increased from two to three months of arrears, although there will also be grounds for obtaining possession if a tenant is repeatedly late.

A landlord can gain possession if they want to move in or sell a property, but this right will not be available during the first 12 months of a tenancy. The new rules will apply to all tenancies from the same date, with existing tenancies

immediately converting to the new system.

Periodic tenancies

There are many other proposed changes, but the removal of fixed-term tenancies will be of particular concern to landlords. Currently a tenancy typically runs for six or 12 months after which the contract is either renewed or switched to a periodic tenancy. The change will mean all tenancies are periodic, running from month to month. This may be a problem for landlords accustomed to the guarantee of six months' rent to cover the outlay on a new tenancy.



Minimum EPC

To complicate matters further for landlords, at the 2024 Labour Party conference the recently scrapped target of all rental property achieving an energy performance certificate rating of 'C' was resuscitated (this time by 2030). Grants for upgrades will be available from 2025 if a property is situated within an eligible postcode or has low-income tenants.

If you have any concerns regarding this topic, please speak to your accountant or property management company.