

# RENTERS RIGHTS BILL

Find out how we are planning to help our landlords



## FIND OUT MORE

- > Enhanced Tenant Screening and Referencing
- > Dedicated department to advise and serve notices for vacant possession
- > Experienced Teams set up to achieve annual Rental Increases
- > New Landlord Focused Tenancy Agreements
- > New & Improved Rent Protection Insurance
- > Better Property Management
- > Now Included within our Lettings Fee!

The Bill introduces significant reforms on increased tenant protection and presents several challenges for landlords, particularly those who choose to self-manage their properties.

Landlords will still be able to increase their rent to 'market' levels and use new grounds for vacant possession. However, landlords need to be more prepared, proactive and compliant with regulatory changes than ever before.

At Hurford Salvi Carr, we have been preparing for the Act since it was first proposed under the previous government in May 2023. We have been updating and upgrading our processes to facilitate the upcoming changes and protect the interests of our landlords without increasing our lettings or management fees.

## ENHANCED TENANT SCREENING AND REFERENCING

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We have yet to meet a landlord who wishes to terminate a tenancy without sound reason; after all, a long, unbroken tenancy is normally a profitable one.

However, the Renter's Rights Bill makes it more challenging to gain vacant possession when a landlord experiences a problematic tenant who, for example, fails to pay the rent or look after the property.

Therefore, it becomes more important than ever to ensure a tenant's suitability, history and creditworthiness, as best as reasonably possible, before they enter into a tenancy agreement.

The new discretionary false statement ground for possession will make it more important than ever to adequately capture and record tenants' declarations at this pre-tenancy stage.

### AT HURFORD SALVI CARR :

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We are strengthening our screening process, which all potential tenants must complete before referencing, to include capturing answers to 30 questions.

We are upgrading our Tenant Referencing Checks with Open Banking Checks, fraud detection software for payslips and bank statements, and HMRC real time payslip integration to verify Landlord and Employer references.

## DEDICATED DEPARTMENT TO ADVISE AND SERVE NOTICES FOR VACANT POSSESSION

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With the abolishment of Section 21 notices to gain vacant possession, Landlords will instead have the option an evidence-based approach by serving a new form Section 8 notice. There are set to be 37 Grounds for Possession under the new Act, which will need to be relied upon in isolation or combination, depending on the circumstances and evidence available.

### AT HURFORD SALVI CARR :

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Our Tenancy Management department already advises our landlords on notices and end-of-tenancy requirements and is working closely with our legal consultants on the new Grounds as information on them filters through.

Our Tenancy Management department will update our Landlords when further information becomes certain and will act as a single point of contact and expertise for all our landlords when the Act and new Grounds are enshrined into law.

Our Tenancy Management department is prepared to support you in supplying evidence you may require to uphold a Section 8 notice for possession, protecting your right to reoccupy or sell the property with vacant possession under the Act.

## EXPERIENCED TEAMS TO ENSURE YOU ALWAYS ACHIEVE A MARKET RENT AND SUPPLY VITAL COMPARABLE EVIDENCE FOR RENTAL INCREASES

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Whilst bidding above the asking price at the initial point of letting will not be permitted, there will be no upper limit to an annual rent increase provided it can be supported by timely comparable evidence.

Under the Bill, landlords can still increase their rents via an amended version of a Section 13, and if the Tenant disagrees, then the First Tier Tribunal (FTT) will decide.

Current FTT lead times are 3-6 months, both sides will be required to produce comparable evidence to support their claim for a new rent, which will not be backdated. Some reform of the process is expected under the legislation.

### AT HURFORD SALVI CARR :

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Our teams already have experience in due process at the FTTs and the serving of Section 13 notices in preparation for the Renters Rights Act.

Now established for some 20 years, our Tenancy Management department has extensive experience in negotiating rental increases on behalf of our landlords.

Our Lettings Departments and existing databases produce compelling comparable evidence for our Tenancy Management team to negotiate Rental Increases and, if necessary, for the FTT as well.

## NEW LANDLORD FOCUSED TENANCY AGREEMENTS

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The Renters Rights Act will bring about the end of the Assured Shorthold Tenancy Agreement (AST) and Fixed-Term Tenancies.

The Government will introduce a new form of Tenancy Agreement to accommodate the Act and the effective style of Period Tenancies it is looking for renters to benefit from.

### AT HURFORD SALVI CARR :

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We have never taken sample or boiler-plated agreements. Instead, we work with our legal consultants to produce compliant, landlord-focused agreements.

We continue to monitor the Government's plans for a new a Tenancy Agreement and as soon as further detail is available, we will be working on our version ensuring it is compliant with the new Act and serves to protect the interests and investments of our landlords.

## RENT PROTECTION INSURANCE

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Under the Act, the amended grounds for possession provide a more extended period for rent arrears and a longer notice period to be given as part of the Section 8 notice. In some instances, this will leave landlords with a temporary interruption in cash flow or a loss of rent and legal fees as they seek vacant possession.

### AT HURFORD SALVI CARR :

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We have resourced the best Rent & Legal Protection Insurance suitable for our markets and our landlords.

We can offer Rent & Legal Protection Insurance for all suitable tenancies, including up to a year after the tenancy has been entered into (provided there are no pre-existing issues).

Coverage includes \*

- 100% of rent until vacant possession
- 75% of rent during vacant possession (up to 3 months)
- Up to £5,000 rental payments per month (higher amounts are quotable)
- Up to £100,000 Aggregate for legal expenses and rent arrears

*\* Terms & Conditions apply*

## BETTER PROPERTY MANAGEMENT

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One of the main objectives of the Bill is to improve standards and living conditions for tenants by ensuring all rented properties meet basic safety and habitability requirements.

Landlords will be required to ensure that their properties meet minimum property standards and to investigate and fix reported health hazards with strict timeframes.

Those who fall foul of these new standards will find that fines and rent repayment orders have increased, and notices for vacant possession and rental increases will be invalidated.

Good property management is more essential than ever.

### AT HURFORD SALVI CARR :

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We have increased the size of our property management team resulting in smaller portfolios per property manager. This gives us more capacity to keep our clients and their properties safe and compliant with the required standards.

Your property manager will inspect your property twice a year, provide a detailed report on its condition and recommend any necessary works or preventative maintenance.

Our team will be responsible for meeting regulatory compliance and certification renewals and instructing certified contractors to investigate and fix any issues or hazards within the specified timeframes.

## NOW INCLUDED WITHIN OUR LETTINGS FEE!

- Tenant Swaps Fees
- All Right to Rent follow-up checks
- Certification Expiry Alerts
- Energy Performance Assessment to upgrade EPCs below 'C Rating'
- Consultation on compliance and property management with our Head of Property Management.
- Additional HMO & Selective Licenses (property management clients only)
- Detailed Income & Expenditure reports for your accountant or tax return
- See example for Rent Collection clients here
- See example for Property Management clients here

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**LET OUR EXPERIENCE WORK FOR YOU**