



Legislation Update

How does the future look?

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The Renters' Rights Bill

The biggest change to renting in over 30 years

EVERYTHING YOU NEED TO KNOW
EVERY STEP OF THE WAY

Renters (Reform) Bill fell

Timing of the general election led to a shortened 'wash-up' period in Parliament, during which the Renters (Reform) Bill fell.

Renters' Rights Bill announced

The new Government announced the Renters' Rights Bill in the King's Speech. The Bill had its first reading in Parliament on 11 September.

The Renters' Rights Bill closely mirrors its predecessor in several key areas.

New Standards

Decent Homes Standard

The Decent Homes Standard is being extended to the PRS.

Landlords will need to ensure homes have “reasonably modern facilities” and are in a “reasonable state of repair.”

Awaab's Law

Awaab's Law is also being extended to the PRS.

Landlords will be required to address damp and mould issues within set timeframes, as well as new standards on emergency repairs.

PRS Database

Landlords will have to register on the database, for a fee, before a property is let.

According to government, the database will help landlords understand their obligations and demonstrate compliance.

Councils will have the power to issue a civil penalty of up to £7,000 with fines of up to £40,000 for repeated breaches.



Tenancy changes

Periodic assured tenancies

All Housing Act 1988 tenancies will become periodic (open-ended) assured tenancies.

Rental periods/rent in advance

Landlords cannot offer a tenancy with a rental period greater than a month.

Rent in advance will be prohibited until a tenancy is agreed and capped at no more than one month afterwards.

Written statement

Landlords will need to provide a written statement setting out the terms of the tenancy agreement.

Rent increases

Landlords will only be able to increase the rent by serving a Section 13 notice with 2 months' notice.

Rent may not be increased more than once per year and the tenant may delay and/or challenge the increase by referring to the Property Tribunal.



Tenancy changes

Ending a tenancy (tenants)

Tenants will be able to give 2 months' notice to end a tenancy from day 1.

Ending a tenancy (landlords)

End of Section 21 and new landlord circumstance grounds proposed.

Mandatory rent arrears ground will require three months' arrears and four weeks' notice.

Student ground will not apply to student HMOs where a tenancy was entered into more than six months before the move-in date.

Pets

Tenants will have the right to request a pet.

Landlords will be able to refuse a request where it is reasonable to, for example if a superior landlord prohibits it.

Rent-to-rent

Superior landlords will be subject to rent repayment orders for offences committed by their rent-to-rent operator.

The Bill will remove any clauses in rent-to-rent agreements that would require vacant possession at the end of the agreement.



Tenancy changes

Bidding wars

The Bill makes significant changes to how rents are agreed:

Landlords must list an asking price for the rent on any adverts.

They will be banned from encouraging or accepting rents above this listed price.

Local authorities will have powers to fine landlords up to £7,000 for accepting bids above listed price.

Discrimination

The Bill will make it unlawful to discriminate against children and tenants on benefits by preventing someone with children/on benefits from:

- (i) enquiring whether the dwelling is available to rent;
- (ii) accessing information about the property;
- (iii) Attending viewings; or
- (iv) entering into a tenancy.

Nothing prevents a landlord from considering an applicant's income.

Transitional arrangements

The Bill will not come into force immediately on Royal Assent. However, the period before commencement is likely to be short and landlords will need to act swiftly to get everything in order.

Documentation

- All pre-existing written tenancies will need to issue some information within one month of commencement.

Rental periods

- Where rental periods on pre-existing tenancies are greater than a month, the rental period changes will take effect from the end of the current rental period.

Pre-existing conduct for new offences

- Behaviour engaged in before the commencement date cannot lead to a financial penalty or conviction for any of the new offences.

Pre-existing Section 8 notices

- Section 8 notices that were valid can rely on the old grounds (i.e. two months' rent arrears) until the expiry of that notice (12 months after service) or three months after commencement.

Pre-existing Section 21 notices

- Where accelerated possession has been started before commencement, possession will continue until the conclusion of the claim.
- Where Section 21 has been served but not acted on, landlords will have until the expiry of the notice or three months after commencement (whichever is shorter) to have the court issue the claim.

Energy efficiency

Building a sustainable path to greener homes

Energy efficiency requirements have been in place for a while:

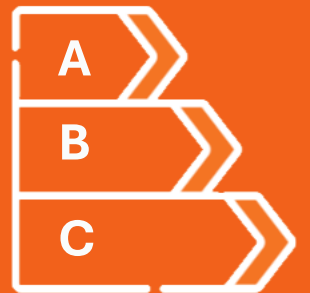
- **2008** – EPCs must be provided when marketing the property to prospective tenants.
- **2018** - Landlords cannot start a new tenancy below EPC 'E' without a valid exemption.
- **2020** – All rented properties must be rated EPC 'E' or above or have a valid exemption.

The previous government proposed raising the minimum standard to EPC 'C' by 2028, but this never became law.

/ Energy efficiency: what's changing?

The Government is consulting on plans to introduce:

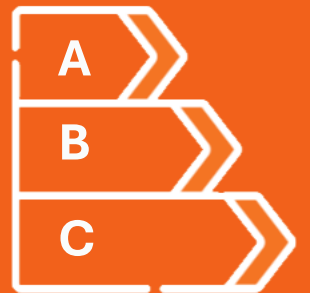
- A new EPC that replaces the current A-G rating with new standards, reduces the duration of the EPC and makes it a continuous requirement to have one.
- A new Minimum Energy Efficiency Standard (MEES) that prohibits landlords from letting out a property if it does not meet the **new** standard (different to the current 'C' rating).
- Later this year, the Government will also consult on the Home Energy Model – the new method of calculating EPC scores, which will be used to set the new standard.



/ Energy efficiency: why is it changing?

For a long time, there have been concerns that the current EPC is not fit for purpose as it –

1. Is too simplistic to model modern houses.
2. Can be inaccurate as it uses a standardised approach rather than looking specifically at the property.
3. Is based on energy costs, rather than energy efficiency, leading to cheaper gas boilers being recommended over lower carbon options like heat pumps.
4. Can lead to inconsistencies as different software providers develop tools for calculating the EPCs.



The new version of the EPC

The EPC consultation proposes that, instead of one rating focused on the cost of energy, EPCs will be more detailed, covering a range of different metrics, including the headline metrics of:

1. Fabric efficiency – how well the building retains heat.
2. Heating system – the type of heating system, with higher ratings given to lower carbon heat sources such as heat pumps or electric heating and lower ones given to gas boilers.
3. Smart readiness – the presence of technologies like solar panels and smart thermostats.
4. Energy cost – modelling how much a property should cost to run.

Note that this is not the same as the current EPC calculation and your current EPC may go up or down under the new measures.

Applying this to MEES

The MEES consultation proposes using some of these new metrics to set a new minimum standard for the PRS. The Government's preferred option is that after the regulations are introduced in late 2026, landlords will be expected to spend up to £15,000 on:

1. First meeting a set standard for the fabric performance of the property. This will likely include measures such as insulation, double glazing.
2. After this fabric standard is met (or an exemption is obtained), landlords will make further improvements to **one** of the two secondary metrics (heating system or smart readiness).
3. If the landlord has spent £15,000 or the remaining work would mean spending above this, they may register a cost cap exemption.

Start with improvements to the fabric. None of the work done towards a secondary metric (such as installing a new heat system) will count towards the cost cap until the fabric standard is met/an exemption is obtained).

The proposed timeline:

2025

- The Government responds to consultations on EPC reform.
- The Government consults on New Home Energy Model (HEM) methodology.

2026

- The final HEM methodology is published.
- New EPCs with updated metrics become available.
- The Government sets new MEES requirements with supporting legislation and guidance.

2028

- New tenancies in the private rented sector must comply with the higher MEES.

2030

- All tenancies must meet the higher standard.

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/ Navigating the evolving landscape



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Recommended Courses

- Renters Rights
- Landlord Fundamentals
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- Fire Safety for Landlords
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