

## **Abolition of Section 21 Notices**

*The Government have proposed the abolition of Section 21 calling this a “no fault” eviction process. Improvements to the court process for the existing Section 8 may be introduced but they won’t touch the surface to compensate for the crisis that will come from this change.*



The announcement sent shock waves through the lettings industry. We’ve highlighted the main issues and other considerations.

### **Potential growth of homelessness**

#### **Landlords won’t be able to help proactive tenants in need**

26%\* of landlords served a Section 21 Notice at their tenant’s request. This enables tenants to obtain a vulnerability assessment and seek social housing to avoid being classed as intentionally homeless.

[Click here to read more](#)

### **Vulnerable tenants won’t get the help they need**

#### **Tenants with complex mental health needs will suffer**

There is an increase of mental health problems but not enough support currently for those who need help. Many tenants need a more specific type of accommodation to be able to live safely. They may need to live in a different area to be closer to a support network or may need a form of assisted living.

[Click here to read more](#)

### **Antisocial behaviour will increase**

#### **Landlords will not be able to deal with anti-social behaviour in a simple and effective way**

By abolishing Section 21 Notices, it will be harder, and in some cases practically impossible, for private landlords to evict anti-social tenants who cause misery for their neighbours and fellow tenants.

Landlords and neighbours don’t want to provide evidence in court, which would be necessary for a Section 8 eviction, due to fear of reprisals with no guarantee that possession will be granted.

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### **Overcrowding may increase**

#### **Tenants will be left living in overcrowded accommodation due to protracted litigation**

Landlords will be prevented from taking a pro-active approach to the health and safety of their tenants, the excessive wear and tear on their property and the prevention of local authority involvement with a statutory overcrowding investigation.

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### **Universal Credit tenants will suffer**

#### **Landlords and agents will prioritise prospective tenants to minimise risk**

Without Section 21 Notices it will take longer and cost more for landlords to evict tenants when they fall into rent arrears. Many landlords (85%\*\*\*) will choose lower risk tenants on higher incomes to reduce the risk of rent arrears. The average amount owed by Universal Credit tenants in rent arrears increased by 50% in 2017 to 2018. Vulnerable tenants will suffer.

[Click here to read more](#)

### **Build to rent investment will reduce**

#### **Developments designed for rental will be re-purposed into Build to Sell**

If landlords’ confidence isn’t restored they will stop investing in build to rent.

A package of changes including introducing a fully funded and staffed housing court is needed.

Landlords need support and swift remedies for genuine cases of anti-social behaviour and rent arrears and when they need to redevelop or sell their property.

Margins are tight and a slight shift can cause a negative financial situation.

\*RLA Possession Reform survey 2019

\*\*Landlord Zone survey 2019

### Housing court waiting times will be even longer

#### No publication of additional funding for the housing court system

It currently takes an average minimum of five months from a landlord claim for a property to be repossessed in the court to it actually happening.

When Scotland went live with abolishing, court cases increased substantially in a much smaller market to England.

[Click here to read more](#)

### Short let rogue operators impact on the court system

#### There needs to be an online court solution to deal with the increase in court waiting times

There needs to be better recourse for neighbours impacted by rogue operations. There are too many stories of residents lives made a misery because someone short lets a property as a party pad and the operators simple response is 'not our problem talk to the host'.

[Click here to read more](#)

### The abolition report claims that Section 21 Notices are issued without warning

#### This is a misleading message

A section 21 Notice is often not the first a tenant will know about the landlord seeking possession, the landlord or their agent usually contacts them in advance of serving the Notice.

Irrelevant of this a Section 21 Notices give the tenant a minimum of two months' notice to vacate from the date the notice is deemed served. This means they will always have advance warning.

### Landlords will be reluctant to let to the student market

#### Properties won't be available in line with academic term dates

Section 21 notices allow for an efficient student rental market enabling all tenancies to begin and end in line with academic term dates with most student tenancies agreed months in advance. Landlords therefore are agreeing new tenancies whilst sitting tenants remain.

Without Section 21 there is no guarantee that landlords will be able to regain possession at the end of the sitting tenants' fixed term, and therefore they will not be able to agree tenancies in advance for the following academic year.

[Click here to read more](#)

### A lack of landlord confidence will be detrimental to the Private Rented Sector

#### Landlord Action surveyed landlords and established some concerning statistics

- 36%\* of landlords surveyed would consider selling up if Section 21 is abolished.
- 85%\* of landlords would become more selective of their tenant choice if Section 21 is abolished.

This is bad news for supply and with increased competition and a rise in landlord selectivity, this will leave the most vulnerable tenants struggling to find suitable rented housing.

### Serving Section 21s: TLIC research

#### The majority of Section 21s are served for reasons that will still be included in the Section 8 process

TLIC's agent survey\*\* of 90,780 managed properties confirms that between 1<sup>st</sup> July 2018 and 30<sup>th</sup> June 2019, 5,694 Section 21 notices were served. This means only 6.2 % of tenants received a Section 21 within the 12 month period.

[Click here to read more](#)

### Other considerations

#### Tenant safety should be the Government priority

TLIC have developed a Lettings [Property 'MOT' Passport](#) as well as [guidance notes](#) which if introduced should replace licensing schemes which currently penalise tenants due to the stringent rules surrounding number of tenants.

TLIC believes the Government should support the Property MOT initiative to ensure every rental property meets a minimum H&S standard and resource and fund enforcement to ensure all tenants live in safe homes.

#### What happens in other countries?

We reviewed the eviction process in other English speaking countries: For the full report please [click here](#).

\*Landlord Zone survey 2019

\*\*TLIC Section 21 Agent Survey 2019