



Renters (Reform) Bill - Second Reading Briefing

As a body representing landlords in York, York Residential Landlords Association (York RLA) represents landlords with substantial involvement in the letting of Private Rented Sector (PRS) properties to students. Aspects of the Bill will cause substantial disruption to the student-letting market which is likely to cause as many problems for student tenants as it does for landlords.

About York RLA

York RLA represents landlords in the private rented sector renting in York. As an area with one of the most active student populations in the UK, around 300 of its members are involved in student lettings. Collectively they house nearly 6000 students representing some 26% of students studying in York.

The Reality of the Student PRS

While the Bill rightly seeks to crack down on bad landlords and address issues in the PRS, students are generally very satisfied with their renting experience. Unipol runs a Rate Your Landlord Survey site. 2021 figures show that from over 2500 responses 78% have rated shared housing 4 out of 5 stars or above, far higher than comparable figures for the PRS as a whole.¹ It is often assumed that student properties are of a poorer standard but due to widespread HMO licensing and increased demands from students for quality this is largely a myth. The Bill therefore represents a solution to a problem that does not exist in the student PRS sub-market.

The student rental market occupies a unique place within the PRS. The government appears to recognise this as the Bill is offering special arrangements for Purpose-Built Student Accommodation (PBSA). Students need the assurance that their second and third-year accommodation is booked months in advance for a smooth transition between halls and shared housing. The majority of students move directly from halls into their shared house. Accordingly, there is huge pressure for students to form groups in their first year and secure a desirable rental property as early as possible for their second and subsequent years. Attempts to reduce or eliminate this drive have foundered on

¹ <https://www.nrla.org.uk/research/deep-insight/tenant-survey-satisfaction>

the desire of students to secure attractive properties at the earliest opportunity. At the moment, tenants will sign agreements in both the PRS and PBSA sectors as early as November for commencement on or about July 1st. Landlords will sign at the same time and both students and landlord will proceed confident that they have tenants and a property secured. This certainty is desirable to PRS and PBSA landlords for business reasons but is no less desirable to students who wish to be able to leave for a summer break with their accommodation for the coming academic year resolved. For students taking a placement year even earlier certainty is required and these students often sign for accommodation up to 18 months in advance in readiness for their return to university to avoid the risk of being without accommodation when they return.

Student Letting Relies on the PRS

In York, as with other cities with a large student population, there are massive shortages in the student accommodation sector. In York, these shortages have led to the local universities accommodating some students in Hull, an hour's travel away.² Future demand remains so high that despite new large blocks being built these are fully booked prior to completion.³ There is no prospect of the PBSA sector being able to meet the need now or in the future. In York, as is generally the case nationally, PBSA only accommodates 30-35% of students with the PRS housing over 50%. York can ill afford to lose any landlords from the student accommodation sector and every one that leaves will lead to five or more students either being unable to take up a university place due to a lack of accommodation or being forced to live some distance away with consequent damage to their ability to study. Loss of PRS property to the student sector cannot be made up with PBSA alternatives and all the evidence is that new PBSA building lags far behind the level of need.

Loss of Fixed Terms

The loss of fixed term tenancies in the Bill will effectively destroy the current arrangement between students and PRS landlords. Fixed term tenancies are prohibited by the Bill. As the Bill stands, landlords will have no certainty that students are going to leave on any specific date unless those students have given two months' notice of their intention to do so. This is a stressful time for students when they will be preparing for or taking part in exams. What seems like a simple administrative activity will therefore not take place as intended as this will not be a priority for outgoing students heading towards exams. Without that certainty landlords will be unable to accede to student's desires to enter into a tenancy. Indeed, they are unlikely to be in a position to do so until April in each year at the

² <https://www.yorkpress.co.uk/news/19577810.university-york-offers-students-accommodation---hull/>

³ <https://www.yorkpress.co.uk/news/20156806.still-built---student-flats-already-fully-booked/>

earliest, assuming notice is received from the outgoing students. Similarly, incoming students will be busy with exams of their own and expecting them to identify and enter into a tenancy for a rental property, often for the first time, alongside these pressures is unrealistic and unfair.

Alternative Responses

In practice, landlords are likely to seek alternatives to avoid the trap that the Bill creates. Many of them will seek to offer licences by providing services to students alongside their occupancy, such as in-room cleaning in a similar fashion to that done now in PBSA. Others will claim, incorrectly or falsely, to enter into licences. In either case, students will be deprived of not just the protections provided by the Bill, but even the current protections afforded to tenants such as notice periods in the event of rent arrears and the protection of their security deposits. Landlords who do have tenancies under the Bill will likely insist on full notice being provided and will not accept short or incorrect notice. Further disadvantaging students who make small mistakes.

Unequal playing field

The Bill creates a purposefully uneven playing field. The PBSA sector who have signed up to the Unipol Code of Practice will be permitted to exempt themselves from the Bill and grant fixed term tenancies. PRS landlords, even those signed up to the Unipol code, will not. Even if a ground for possession is created within the Bill the PBSA sector will still have the considerable practical benefit of having a fixed term, which tenants tend to abide by, while the PRS will have indeterminate tenancies and continued uncertainty. There is no justifiable reason for this approach. There is no evidence of lesser quality or standards in the student PRS as compared to PBSA. Ultimately, it is likely to be students who will suffer as they will be confused by the difference between accommodation in PBSA which will be for a fixed term with no notice requirement and accommodation in the PRS which will require them to give two months' notice, or they will continue to be liable for the rent.

York RLA do not consider a specific ground for possession for the student PRS to be a workable solution. The mechanics of the current proposal are excessively complex and will be unworkable for landlords on the ground, especially taking into account local variations in practice between different academic institutions and courses.

Without an offering to the student PRS comparable to that provided to the PBSA sector, landlords will lose confidence and consider renting elsewhere or on terms that are less beneficial. It is likely to be students that will lose the most from this.

The government must allow PRS landlords renting properties wholly or partially occupied by full-time students to offer fixed term tenancies. This could be accompanied by a requirement to sign-up to a code of practice comparable to the Unipol code for PBSA.

York RLA would be keen to meet with you to discuss our concerns in more detail. Please contact us on 01904 929 945 by phone or email info@yorkrla.co.uk to arrange a meeting.