

mint  
homes  
letting agents



# SECTION 21

all you need  
to know



# WHAT IS A SECTION 21?

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A Section 21 is the notice which a landlord must give to their tenant to begin the process to take possession of a property let on an assured shorthold tenancy without providing a reason for wishing to take possession.

A Section 21 notice must be issued with 2 months notice and is subject to the landlord or agent being compliant in the way they handle the initial tenancy and the issuance of the notice.



# SECTION 21 PROPOSED BAN

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On the 15th April 2019, the Government issued a statement to announce that there are plans to consult on new legislation to replace Section 21.

The abolition of section 21 notices would effectively create open-ended tenancies.

The proposals had cross party support which increases the likelihood of the proposal going through.

Prime Minister Theresa May said:

*Everyone renting in the private sector has the right to feel secure in their home, settled in their community and able to plan for the future with confidence.*

*But millions of responsible tenants could still be uprooted by their landlord with little notice, and often little justification.*

*This is wrong – and today we're acting by preventing these unfair evictions. Landlords will still be able to end tenancies where they have legitimate reasons to do so, but they will no longer be able to unexpectedly evict families with only 8 weeks' notice.*

*This important step will not only protect tenants from unethical behaviour, but also give them the long-term certainty and the peace of mind they deserve.*

Government findings showed that an average tenancy length is 3.9 years and 6-12 month tenancies make up 81% of the rental market. It also found that 41% of tenants do not expect to be able to buy their own property in the future and 38% of tenants are families with children.

Finally in 2017/18 it was recorded that 67% of evictions occurred due to rent arrears.

In an English Housing Survey (2016-17), around 90% of tenancies were ended by the tenant's and only 10% by the landlord.

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## INDUSTRY INSIGHTS

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David Cox, Chief Executive of ARLA Propertymark, said:

“Today’s news could be devastating for the private rented sector and landlords operating within it.

The effects of the tenant fees ban have not yet been felt, and now the Government is introducing more new legislation which could deter landlords from operating in the market. Although in the majority of cases there is no need for Section 21 to be used, there are times when a landlord has no choice but to take action and evict tenants from a property.

Landlords need the safety of no-fault evictions and removing Section 21 takes this away. Until we have greater clarity on the changes planned for Section 8, today’s news will only increase pressure on the sector and discourage new landlords from investing in buy-to-let properties. This comes at a time when supply is dramatically outpacing demand and rent costs are rising.”



David Smith, Policy Director for the RLA said:

“Whilst the RLA recognises the pressure being placed on Government for change, there are serious dangers of getting such reforms wrong.

With the demand for private rented homes continuing to increase, we need the majority of good landlords to have confidence to invest in new homes. This means ensuring they can swiftly repossess properties for legitimate reasons such as rent arrears, tenant anti-social behaviour or wanting to sell them. This needs to happen before any moves are made to end Section 21.

For all the talk of greater security for tenants, that will be nothing if the homes to rent are not there in the first place. We call on the government to act with caution.”



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## WHEN WILL IT HAPPEN?

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There is no set date for the changes to come into effect as it is still in the proposal and consultation stage. However, based on recent changes to legislation, you could reasonably expect any changes to be tabled within 18-24 months.



Mint Homes are constantly reviewing, monitoring and implementing the ever changing rules and regulations (there are approximately 160 different pieces of legislation and 127 regulations), with several new regulations and laws taking effect this year, including:

- The Homes (Fitness for Human Habitation) Act 2018
- Tenant Fee Ban
- Advertisement discrimination
- Universal Credits now only paid direct to agents: and,
- Section 21 notices being under consultation

So if you have instructed us to manage your tenancy or tenancies for you, you can rest assured that you are in good hands.