



Update from the Chair

Cardiff Landlord Forum @RLAWales

Research Conducted by Researcher Nick Clay, PEARL, RLA

Presented by Douglas Haig, Chair of the CLF & Vice Chairman of the RLA

Agenda

- Recent announcement by Julie James AM Housing Minister.
- Section 21 Proposed Reforms from Welsh Government
- Results of our Survey on repossession





Consultations!

- Default Fees & Prescribed information due 19th July
- Repossession Reform Consultation Now Open!



Announcement!

- Renting Homes (Wales) Act 2016 to be enforced in 18 months
- Repossession reforms announced!
- Landscape about to change forever

Renting Homes? The Act everyone forgot ...

- The Act will change renting in Wales:
 - FFHH (replaces HHSRS)
 - Prescribed matters
 - Considered matters
 - Abandonment
 - Reforms to Possession
 - Fees Act
 - Model Contracts - Secure Contracts, Standard Contracts
 - Fundamental Terms (cannot change)
 - Supplementary terms



A photograph of a red door with peeling paint and a yellow 'EVICTIION NOTICE' sign. The sign is slightly out of focus, and the word 'EVICTIION' contains a typo. The door has a brass handle and a lock. The background is a blurred view of a building's exterior.

EVICTIION
NOTICE

Possession Reform ending the catchy catch phrase 'no fault evictions'

Proposals

- Extending the minimum notice period from 2 months to 6 months (reforming s173)
- Increasing the period at the beginning of a contract during which a landlord cannot give notice from 4 months to 6 months



There's more

...

- Placing a 6-month restriction on issuing a notice following the expiry of a previous notice
- Removing a landlord's ability to end a fixed-term standard contract (under section 186)
- Restrict/remove the use of break clauses in fixed-term contracts.



Creates a 12 months contract

- If there is no breach of contract
- The minimum contract length in Wales will be 12 months...



Only Renting Homes amended



- The Housing Act 88 will NOT be amended
- Meaning that even if they amend the Renting Homes
- It has to be implemented first!
- Current time scale is 18 months.

The current picture

The sector is starting to react ...
Current Government survey's on the recent law changes have found that 5% of Landlords are looking to leave the market with 18% reviewing their current portfolio ...



Those numbers translated in Wales

- If 5% of Welsh landlords were to leave the PRS this would equate to over 10,000 homes no longer available to rent, that's shy of one thousand more than the entire PRS stock in Caerphilly (just under 9000 homes).
- If 18% of Welsh Landlords reconsidered their portfolio's, that's nearly 37,000 homes at risk of being removed from the sector. That figure would equate to slightly more than the entire PRS stock in Cardiff.



Survey Results

The **BIGGEST** response yet!

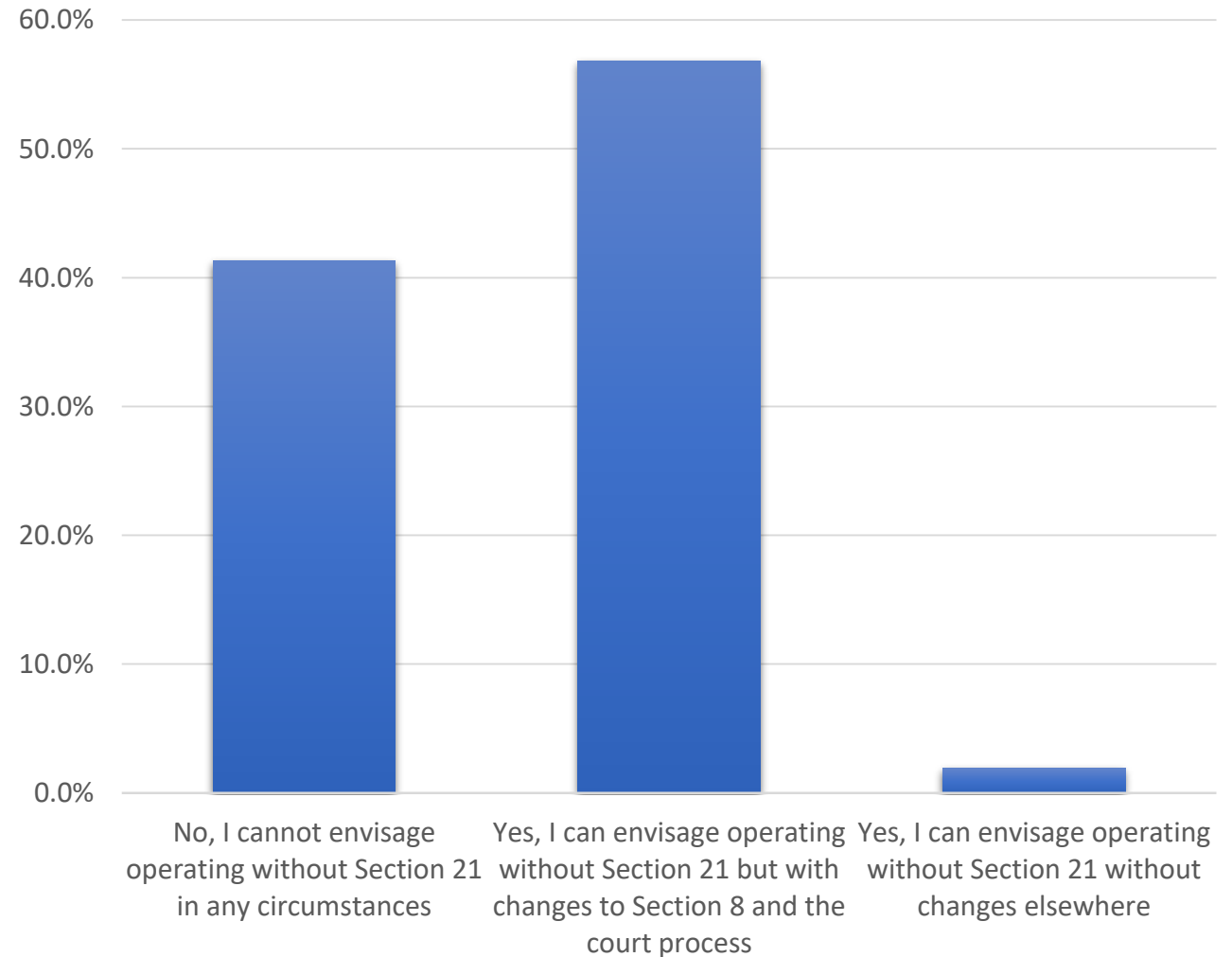
- Nearly 6,500 landlords responded!
- Over 400 of those have property in Wales (this excludes agents)
- PEARL research vital (get involved)
- Following results are from Welsh landlords only ...



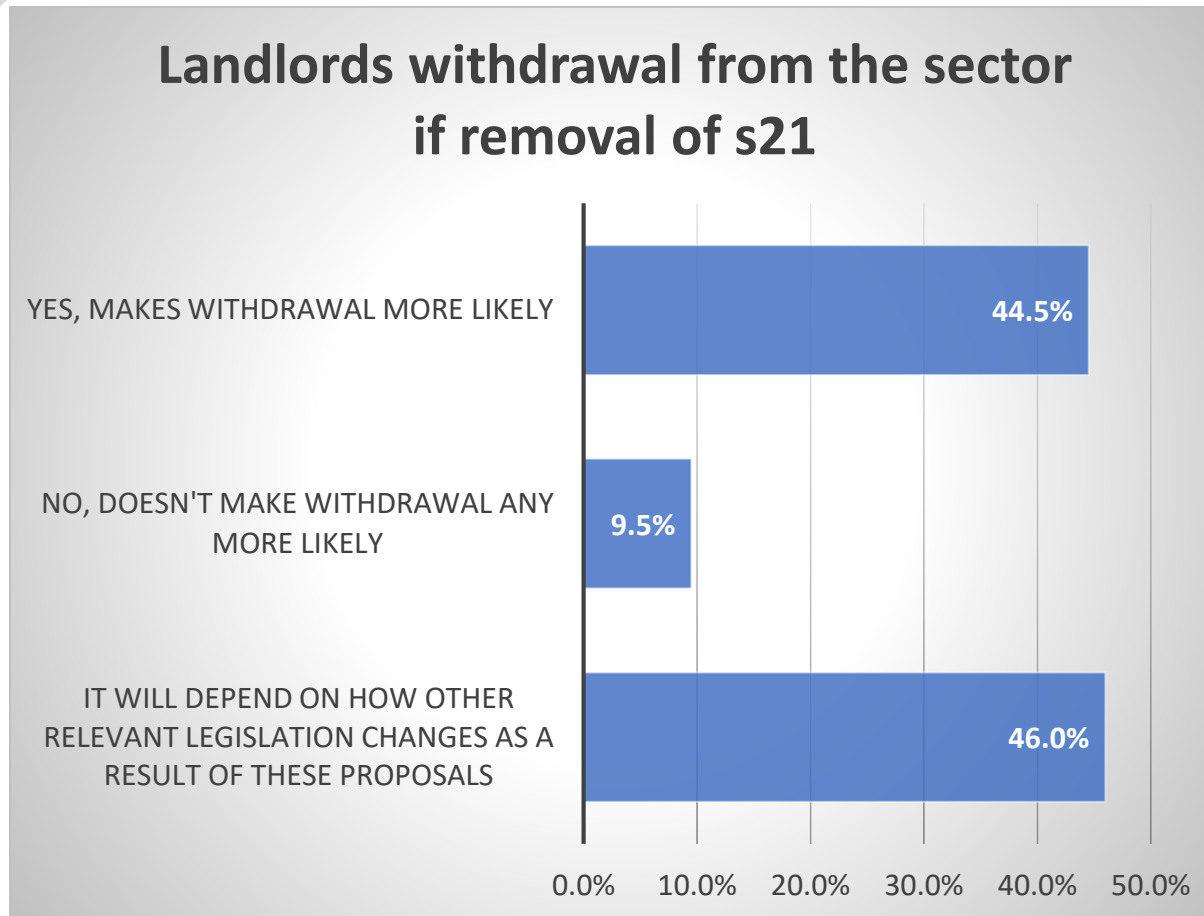
How Important is s21?

- 96.2% stated that s21 is vital for their business
- 57% can operate without s21 as long as there is reforms.
- Courts and Section 8 reforms were seen as vital by landlords.

Could you envisage operating without s21?



Effects of Reform on the sector



- Nearly half of landlords will reduce their portfolio if section 21 is abolished
- With 84% of Landlords stating they will be 'more selective with tenant choices'.

Comments from landlords

“Will not take singles under 30 as they are a budgetary risk even if they are in work.”

“I have taken tenants with poor credit ratings in the past but will not with no section 21”

“I will no longer allow any DSS [Housing Benefit] tenants as they often fall into arrears and the section 8 process is not sufficient to deal with this”





What Reforms are needed?

- 48% of landlords reported a bad experience
- Over 80% unhappy with current court reliability
- 57% reported longer than 15 weeks to regain possession (Issue – Possession)
- 24% reported it took over 25 weeks

Landlords comments:

“Any action to reduce the time taken to remove bad tenants is both welcome & essential.”

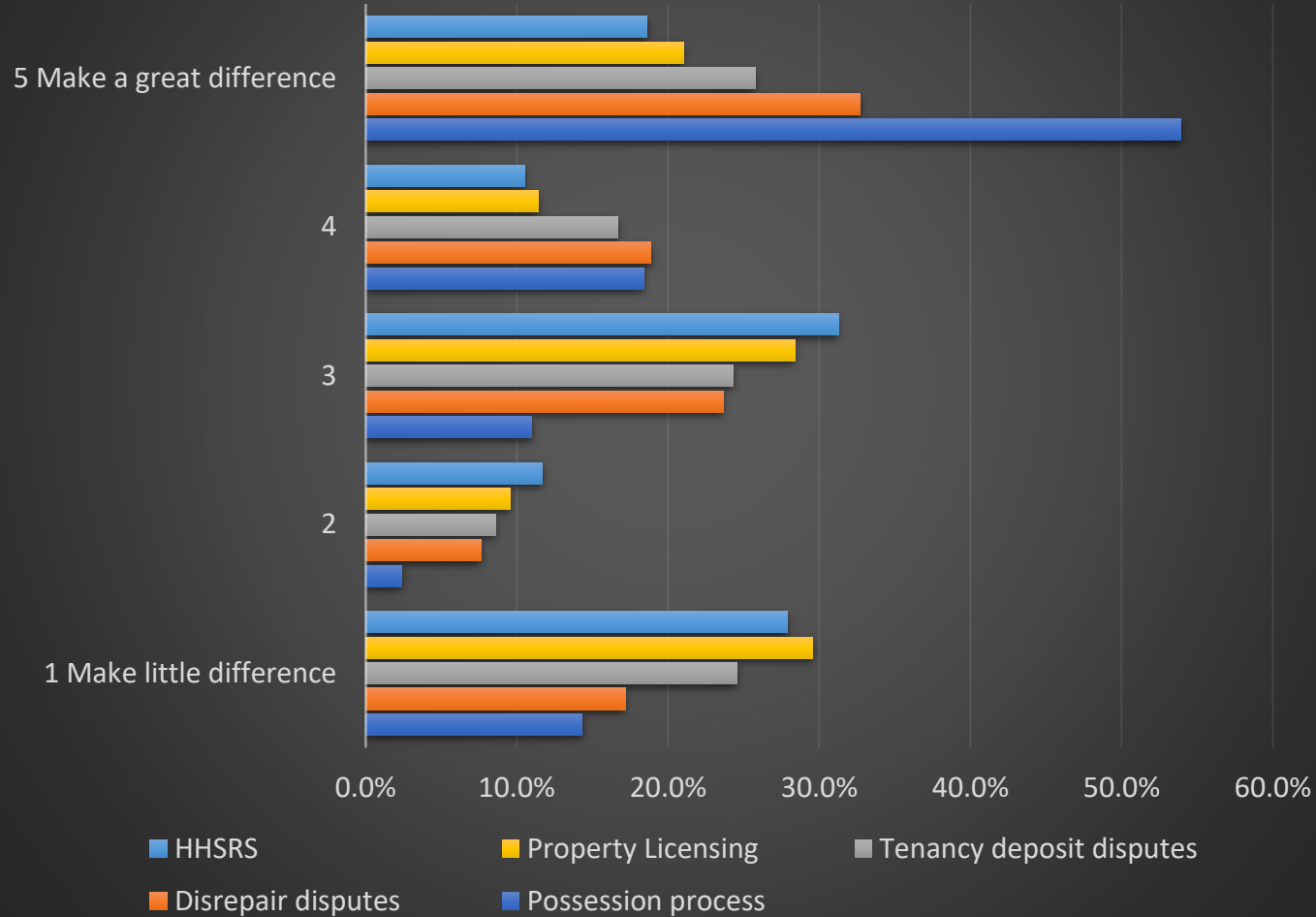
“Court system is broken and takes far too long to remove tenants.”

“Getting to court takes too long.”

Court Confidence



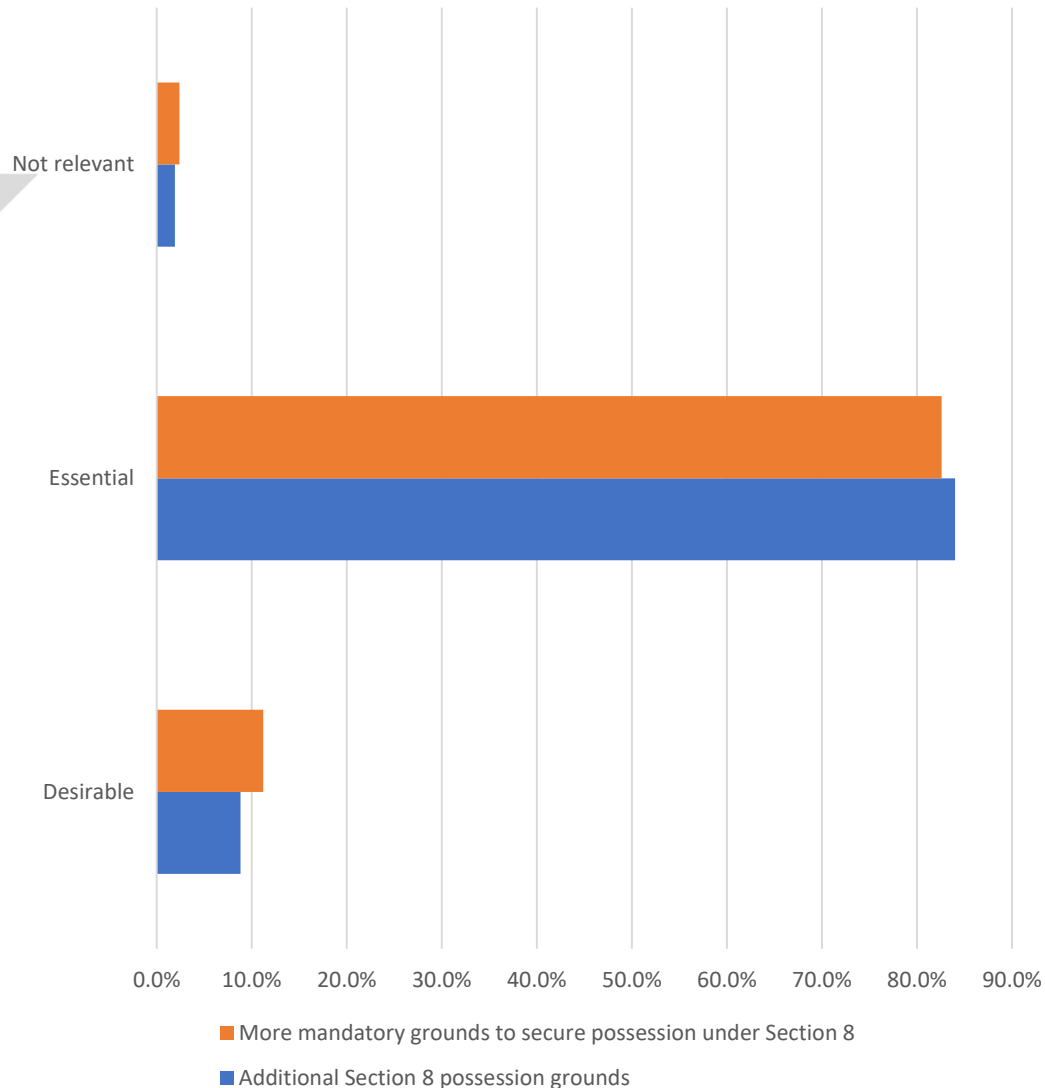
What Difference will a Housing Court Make?



Housing Court

- 90% supported a Housing Court
- Housing Court in Landlords minds would improve the Possession process and Disrepair disputes

Operating without Section 21 with Section 8



Section 8 Reforms 'Essential'

More than 80% described the following reforms to Section 8 as “Essential”:

- Speeding up of the court process.
- Additional Section 8 possession grounds.
- Speeding up of the Bailiff process when possession given.
- More mandatory grounds to secure possession under Section 8.

Clear support for:

- Rent arrears as a mandatory ground with access to the paper-based accelerated possession process.
- Breaches of the tenancy agreement where clear grounds for eviction exist
- Eviction of tenants who have given notice to quit but then won't vacate
- To carry out major repairs or works.
- For landlord or a family member to live in the property.

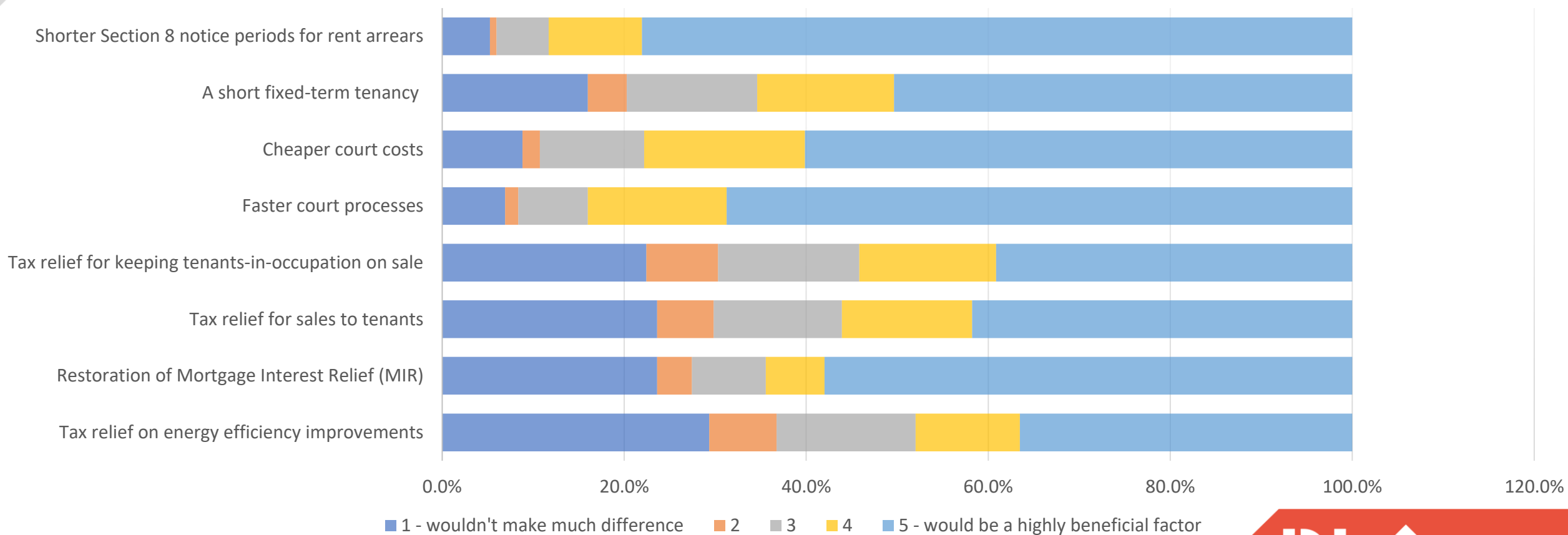
Welsh landlord comments include:

“Must have the ability to get rid of a bad tenant. I will only have professional working tenants going forward possibly with home owner guarantors.”

“In over 20 yrs I have never had to evict a tenant [but] it is important that I have confidence in being able to recover possession of my property.”

Additional Reforms

WHICH OF THE FOLLOWING WOULD MAKE IT MORE LIKELY FOR YOU TO RETAIN INVESTMENT IN THE SECTOR?





What does this
translate to?

The need for action: Get involved!

- Respond to the consultation!
- Take Part in Survey's & Research
- Join Membership Organizations
- Get your voice heard!

A top-down view of a wooden desk. In the center, a person's hands are writing several large, dark question marks in a spiral-bound notebook. The person is wearing a grey sweater. To the left of the notebook is a white calculator. To the right is a white cup of coffee on a saucer. Above the notebook is a white smartphone. The background is a wooden desk surface.

Any Questions?



- Get involved
- Take RLA Surveys and become an RLA Insight Partner

**DATA.
EVIDENCE.
PROGRESS.**

RLA PEARL

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