# Increasing the minimum notice period for a 'no fault eviction'

## Consultation Response Form

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The majority of questions in this consultation are relevant to all respondents but some are specific to whether you are a landlord (either private or social) a letting agent or a 'contract-holder.' A contract-holder is the new name for a tenant under the Renting Home (Wales) Act 2016.

### How would you best describe yourself?

A contract-holder (tenant) in the private rented sector

A contract-holder (tenant) in the social rented sector

A private landlord

A social landlord

A letting agent

A stakeholder or representative group

A local authority

Other (please describe)

Crisis is the national charity for homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change. Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. Our eleven Skylight Centres across Great Britain offer holistic support across a range of issues, including support to secure access to adequate and affordable housing and employment support to help people prepare for, find, sustain and progress in work.

Last summer, Crisis <u>published a plan</u>; *Everybody In: How to end homelessness in Great Britain. The plan sets* out the policies needed to ensure that everyone who is currently homeless has a stable home and calls for each government in Great Britain to publish an action plan setting out how homelessness will be ended in that nation.

The Welsh Government's proposal with regard to extending minimum notice periods

### These questions should be answered by all respondents

The minimum notice period for a section 173 under the 2016 Act is two months, similar to section 21 notices currently. The Welsh Government proposes extending this period to six months.

Question 1: Do you agree with this proposal?

Yes

Question 2: Please tell us why.

Crisis agrees with the proposals to extend the minimum notice period to six months from the current two months. Whilst we recognise that these changes will not end homelessness in themselves, they are a positive step forward in providing greater security and protection for those at risk of or with experience of homelessness.

Whilst we welcome the proposed reforms, we would encourage Welsh Government go further in providing greater security of tenancy. In Everybody In: Plan to End Homelessness in Great Britain, we recommend that open-ended or longer-term tenancies should be adopted as standard for the PRS<sup>1</sup>. In Scotland, the use of open ended tenants is now the norm, following the Private Housing (Tenancies) (Scot-land) Act (2016), and the Westminster Government is now consulting on reforms that would mean an end to the use of Assured Shorthold Tenancies and Section 21 in England. Open ended tenancies will help provide formerly homeless people with the stability to rebuild their lives and also help reduce the number of people homeless because of a private rented sector tenancy ending. If the Welsh government is not minded to consider the introduction of open ended tenancies, we urge consideration of a longer fixed term period of three to five years, to provide tenants with greater stability. Openended or longer fixed term tenancies would ensure people have enough time to put down roots in their community, find employment and access support services

<sup>&</sup>lt;sup>1</sup> Everybody In: How to end homelessness in Great Britain (2018) p.322

if they need to. It will also help them plan their finances without the fear of moving again imminently.<sup>2</sup> This could be done by amending the provisions of the Secure Contract, as laid down in the 2016 Renting Homes Act.

We recognise the importance of the Private Rented Sector's contribution to relieving and preventing homelessness and the choice that the sector provides to households. Despite this, private rented tenancies can also be the cause of repeat homelessness. The loss of private rented accommodation has become the leading contributor of homelessness in Wales, accounting for just under a third of all cases where households were assessed as threatened with homelessness in 2018/19<sup>3</sup>. This follows a 20% increase during 2009/2010 in the number of homelessness acceptances relating to loss of rented housing.<sup>4</sup>

Extending minimum notice periods will support the broader aims of the 2014 Act through preventing homelessness by maintaining existing rental contracts. Extending the period under which a notice can be issued provides tenants with an extended period in which to find alternative accommodation. These changes however necessitate a further consideration of the 56-day prevention duty. If the proposed changes are to come into effect, it will be necessary to consider at what stage the prevention duty comes into effect (currently at 56 days), and whether Local Housing Authorities will begin to work with those at risk of homelessness from the date at which a notice is issued or from 56-days as required by legislation (whichever date is earliest).

We would also recommend that, in line with practice in Scotland and other countries and municipalities across Europe, Welsh Government seeks, through Rent Smart Wales, the introduction of further preventative measures in the PRS. This should include a duty on landlords to inform the relevant housing and social agencies where an eviction is likely. This will act as an effective preventative measure above and beyond the requirements of the 2014 Act. In Belgium, landlords are required to notify the Local Housing Authority when they intend to begin eviction proceedings. A specific regulation in Flanders requires a mediation process if a social rental agency wants to end a rental contract with a tenant on a low income.<sup>5</sup> A further example includes an obligation in French law for relevant authorities to be notified of a notice of arrears being sent to tenants so that alternative solutions can be identified before pursuing eviction. In addition, in cases where the tenant receives housing benefit, or where the housing benefit is paid directly to the landlord, the landlord has to inform the relevant authorities within three months of the first arrears arising.<sup>6</sup> These measures would act as significant safeguards against eviction as a result of the breakdown of a tenancy in the private rented sector, and would further meet the aims of the 2014 Act.

 <sup>&</sup>lt;sup>2</sup> De Santo, R., (2012) A better deal – towards more stable private renting. England: Shelter.
<sup>3</sup> https://gov.wales/sites/default/files/statistics-and-research/2019-07/homelessness-april-2018-march-2019-993.pdf p.19

<sup>&</sup>lt;sup>4</sup> The Homelessness Monitor: Wales 2015 p.56

<sup>&</sup>lt;sup>5</sup> Evictions Due to Rent Arrears: A Comparative Analysis of Evictions in Fourteen Countries p.145

<sup>&</sup>lt;sup>6</sup> Pilot project - Promoting protection of the right to housing - Homelessness prevention in the context of evictions p.162

Heriot-Watt University research demonstrates that substantially increasing the supply of social rented housing should be part of any strategy to end homelessness. Housing needs assessments should be informed by the scale of homelessness.<sup>7</sup> With the ongoing consultation on the National Development Framework it's important to highlight that ending homelessness in Wales requires providing permanent and secure accommodation to people at risk of or with experience of homelessness with access to appropriate types of housing. Crisis estimates suggest that there is a back-log of 6,500 affordable units in Wales of a total of 14,000 units per year for 15 years<sup>8</sup>. Welsh Government must continue to build more social housing units at pace and at scale to ensure that everyone has access to a safe, secure and affordable home.

There is also a need to improve access to the private rented sector, including promoting best practice in affordability measures for accessing the PRS, and removing barriers to accessing social housing. Crisis estimates that Wales needs to build 6,500 affordable homes each year for 15 years to meet needs for housing for people on low incomes and those at risk of homelessness, 4,000 of which a year should be at social rent level if we are to end homelessness.<sup>9</sup>

**Question 3**: How do you think a longer notice period will affect you? Please consider both positive and negative impacts.

<sup>&</sup>lt;sup>7</sup> G. Bramley (2019) Housing Supply Requirements Across Great Britain For Low-Income Households And Homeless People Research For Crisis And The National Housing Federation P.93

<sup>&</sup>lt;sup>8</sup> Everybody In: How to end homelessness in Great Britain (2018) p.289

<sup>&</sup>lt;sup>9</sup> Everybody In: How to end homelessness in Great Britain (2018) p.289

### Case study: The impact of fear about eviction<sup>10</sup>

#### **Research Period 1**

Lorraine and her two teenage children moved into their home after living in a hostel for four months when they were evicted from her previous property. She really liked her new home. It was large enough for them all, in the right area for her children's school and they had a garden. The homeless hostel she had been living in was unsuitable for her children and very disruptive for them in the middle of their exams. It was noisy and the police regularly turned up to deal with the other residents living there. Lorraine was in a lot of debt for previous rent and council tax but she had received help from the Arms-Length Management Organisation (ALMO) who had helped her to move in to the property to manage this which she found very helpful.

#### **Research Period 2**

Lorraine was still very happy in the property. She was working part time and her children had settled in. There had been no problems with the house and Lorraine felt she had a good relationship with her landlord:

'He's [the landlord] been fine, fantastic. Even about paying the bond back and things like that we come out with a plan together.'

Lorraine had kept up with her repayment plan for her previous debts and felt she was getting on top of them.

#### **Research Period 3**

Shortly before Christmas – 16 months after moving in – Lorraine's landlord came round to tell her he wants the property back for his family to move in and has served her a Section 21 notice. The landlord told Lorraine she only had one month to find somewhere else to live. However, Lorraine decided to go back to the ALMO who helped her to move in and they informed her that her landlord had incorrectly given her one month's notice. However, as Lorraine had already received help once they were unable to offer her another bond and were unable to help her find another home. Lorraine's landlord lives three doors down from her and ever since he served the notice she's found it very difficult to live there as she bumps into him on a regular basis. There has also been a problem with the gas supply and the landlord left them without gas for five days after Christmas. Lorraine feels now he wants her out he isn't being as responsive and doesn't care.

'He, for some reason he wants me out as soon as possible, he's rung me up about going and everything. I've got to find a deposit and the first month's rent as well as if I go through an estate agents, I've got to find an administration fee which is £100 and something. I don't think he realises how difficult it actually is to find that.'

She now has less than two months to find somewhere else to live. Despite being in work, Lorraine cannot find anywhere that is affordable, will take partial housing benefit and does not need a guarantor who earns over £30,000. She has nearly paid off all her debts but finding a deposit and rent in advance is going to jeopardise this. Lorraine and her family feel very tense and depressed. Her son and daughter are at college and school and the news that they will soon have nowhere to live is very stressful and upsetting for them.

'[Home is] somewhere I can be safe for the children. I don't want it just to be a house, it's nice to have the feel of a home. At this moment in time it doesn't feel like a home with us having to move.'

<sup>&</sup>lt;sup>10</sup> Sustain: A longitudinal study of housing wellbeing in the private rented sector (2014) p.61

# Proposal regarding when a section 173 notice can be issued under a fixed term contract

### These questions should be answered by all respondents

Under the 2016 Act, a section 173 notice cannot be issued within the first four months of a fixed term contract. Our proposal is to extend this period from four months to six before the Act is implemented.

This, along with an extended notice period of six months, would mean that contract-holders who have started a new contract will have the security of staying in their home for at least 12 months.

**Question 1**: Do you agree with our proposal to increase the period in which a section 173 notice cannot be issued from four months to six?

Yes

Question 2: Please tell us why.

Crisis agrees with the proposal to extend the period in which a notice can be issued from four months to six, providing tenants with security of tenure of at least 12 months. This will provide greater security and permanence for individuals and households to achieve stability, particularly for who have experience of homelessness.

Participants in our national consultation with experience of homelessness emphasised the need to improve security of tenure of the private rented sector. Participants emphasised the importance of security and stability for rebuilding their lives. We would therefore urge Welsh Government to introduce open-ended or long-term tenancies as standard in the PRS, as introduced in Scotland, to ensure that formally homeless people have the stability to rebuild their lives and also help reduce the number of people homeless because of a PRS tenancy ending.

There is evidence from elsewhere in the UK that security of tenure in the PRS is beneficial. Evidence from Shelter Scotland and a Crisis 2014 lived-experience research project (see case study below) demonstrate the importance of tenancy security to tenants with experience of homelessness or at risk of homelessness.

In their report 'Evaluating Changes to Rental Agreements In Scotland' Shelter tested 21 attributes of the new tenancies in Scotland following the introduction of open-ended tenancies and the ending no-fault evictions. Renters on the new tenancy were half as likely to say they 'worry about becoming homeless' as those on the old tenancy (15% cf. 29%). In addition, renters on the new tenancy were half as likely to agree 'I feel that I am locked-in to my rental contract and cannot move when I want to' (8% cf. 16%). These are statistically significant changes and

represent positive improvements for tenants in Scotland.<sup>11</sup> Therefore, whilst we welcome these proposals, we would encourage Welsh Government to go further in improving security for tenants.

In our 2014 qualitative research project *Sustain* with Shelter we set out to explore what happens to homeless people after they had been moved into PRS housing by tracking them and revisiting them over a 19 month period. The report provides self-reported experiences of 128 participants in the PRS. Evidence from individuals involved with the project demonstrated that people's confidence levels about achieving a long-term home and housing stability dropped once the reality of living in the PRS became evident, including the fear of eviction. Participants noted concerns about stability and tenancy security and were worried that their tenancy could be ended at short notice by the landlord, which increases the risk of repeat homelessness.<sup>12</sup>

**Question 3**: How would this change affect you? Please consider both positive and negative impacts.

<sup>&</sup>lt;sup>11</sup> The New Private Rental Tenancies: Evaluating Changes To Rental Agreements In Scotland (2018) p.6

<sup>&</sup>lt;sup>12</sup> Sustain: A longitudinal study of housing wellbeing in the private rented sector (2014) p.5

# Case study: A participant who was facing eviction and we were unable to contact by period 3 of the research<sup>13</sup>

### **Research Period 1**

Charlotte had moved into the tenancy with her daughter after being served notice by her previous landlord. She had been forced to leave her home because the landlord increased the rent to a level she could not afford. Charlotte had lived there for nine years. Charlotte and her daughter had found the experience of eviction very upsetting.

'It seemed with my last property it was so drawn out... it was, you've got to wait and they've got to take you to court, and you can't do anything, you've got to be evicted first. And the stress and the embarrassment of it, it was horrific. I mean, you literally have to wait at home for the bailiffs to come round. It is degrading and embarrassing and it was just because I couldn't afford what they were asking for.'

The local authority had found them a home in the same neighbourhood and Charlotte's daughter had been able to stay at the same school, important because she was taking GCSEs. Her daughter was also receiving treatment at the local hospital for an eating disorder and she didn't want to move her. Despite being satisfied with the location and condition of the property, Charlotte was worried that she would have to pay a shortfall between her rent and her housing benefit. This really worried her as she could not afford to pay any extra out of her monthly budget.

#### **Research Period 2**

Charlotte and her daughter's situation had dramatically changed since moving in to the property. They had been content for the first six months but after this a series of problems had occurred. The lock on the front door had broken while the landlord was out of the country. He had not left any contact details for help while he was away and Charlotte had been forced to sleep on her settee blocking the front door because she felt unsafe leaving the door open at night. When the landlord eventually got in touch he did not fix the problem straight away. He also told Charlotte he was going to increase the rent by £200 a month as he felt he could charge more money for the property. Charlotte can't afford to pay any more in rent.

'So the situation has changed, for none other reason I can see it is more than greed and knowing that he can get away with it. I think there are possibly – a lot of people in this predicament, because they don't want to lose their home, maybe seek outside help from relatives. But unfortunately I'm not in that situation.

The fear that they will have to move has caused stress and anxiety for Charlotte and her daughter. 'I'm going to have to have sleeping tablets because I'm not sleeping. She's under [mental health service], but since then she's – well she's been off today. I took her to the doctor's yesterday, and it's just stomach pains. Same things going on and I think it comes out in her, you know, physically, rather than emotionally.'

Now they know they are going to have to move they feel very unsettled and that they can't plan for the future. Charlotte has started to look for other properties but there is nothing in the area she can afford. It is important that she stays near her daughter's school, the hospital and their local GP. She feels she is playing a waiting game until she is served notice by the landlord and has to go through the whole process again.

'Because when I walk through, it doesn't feel like it anymore. I just want to go. I feel as though, as if I'm in his house... I feel a sort of stranger in my own home, if you like, because it doesn't feel like mine anymore. He said "I'm not saying I'm doing anything now, or in six months, but I will do". So I'm here, just waiting, aren't I? For it to happen...'

<sup>&</sup>lt;sup>13</sup> Sustain: A longitudinal study of housing wellbeing in the private rented sector (2014) p.13

# Proposal to set further time limits on issuing a section 173 notice under a periodic contract

### These questions should be answered by all respondents

At present, there would be nothing to prevent a landlord or agent from issuing a section 173 notice every six months, so they could evict the tenant should they choose do so in the next six months. This would result in the extended notice period the Welsh Government proposes being circumvented and a contract-holder having little security during the tenancy as an eviction notice would always be hanging over them.

To avoid this, the Welsh Government proposes placing a six-month restriction on the re-issuing of a section 173 notice after the previous one has expired.

Question 1: Do you agree with this proposal?

Yes

Question 2: Please tell us why.

Crisis agrees with the proposal to set time limits on issuing a section 173 notice under a periodic contract. As referenced elsewhere, the fear of landlords issuing notice to evict, and the ending of a tenancy can have significant harmful impacts on an individual's wellbeing and ability to sustain a tenancy. Providing an additional measure of security and protection for tenants, particularly those with experience of homelessness, will help to maintain tenancies and ensure that where a tenancy comes to an end, homelessness can be prevented. Furthermore, the introduction of open-ended or longer-term tenancies will help prevent homelessness and ensure that formerly homeless people have the opportunity to achieve stability to rebuild their lives.

There are risks to these proposals that need to be managed. Evidence from Crisis research in the Scottish Highlands following changes to the PRS in Scotland in 2017 suggests that this type of change can further restrict access to the sector for people experiencing homelessness or with a history of rent arrears. In a survey of landlords in the Scottish Highlands area, 218 landlords answered a supplementary guestion about reasons for their reluctance to rent to claimants, of which 118 (54%) selected "Changes to private tenancy law have made me more strict on who I let to as the process for eviction has become more complex/longer". 214 landlords answered a supplementary question about reasons for their reluctance to rent to people who are homeless, of which 144 (67%) selected the above. It is therefore important that Welsh Government considers how access to the PRS and social housing can be improved through ensuring that measures such as rent deposit guarantees, affordability tests and help to rent schemes are more sensitive and supportive to individual needs, and that measures such as requiring the first months' rent up front or deposit requirements are not used to exclude homeless applicants accessing social housing.

**Question 3**: How would this change affect you? Please consider both positive and negative impacts.

# Removal of a landlord's ability to end a fixed term standard contract under section 186.

Currently, under section 186 of the 2016 Act, a landlord may issue a minimum two months' notice that the contract-holder must give up possession of the property. But the notice cannot require the contract-holder to give up possession before the end of the fixed term period, or within six months of the occupation date (the day on which the contract-holder would have been entitled to enter the property). If the contract-holder does not leave on the date specified in the notice (which will usually be the date on which the fixed term period ends, but could be later), the landlord may make a possession claim to the court.

Leaving this provision in place, whilst extending the required notice period for a section 173 notice to six months, would create a situation where a landlord could circumvent the protections offered for periodic standard contracts.

This is because, with the notice period applicable to a periodic standard contract extended to six months, a landlord may consider short fixed term contracts a preferable option. This could significantly reduce, or indeed negate, the benefits to contract-holders of extending the notice period under section 173. A contract-holder would not get the benefit of the increased security or of the extended notice periods where a landlord chose to offer a short fixed term contract that could be ended (after the end of the fixed term) by giving two months' notice.

Therefore, it is proposed to remove a landlord's ability to issue a notice to end the fixed term contract under section 186. This will mean that, if a contract-holder chooses not to vacate the property at the end of the fixed term, the contract will automatically be replaced by a periodic standard contract (under section 184).

Except in the case of a breach of contract, a landlord who wishes to remove a contract-holder who remains in occupation at the end of the fixed term, will be required to serve a section 173 notice to bring the new periodic standard contract to an end, which would be subject to the amended six-month notice period.

Question 1: Do you agree with this proposal?

Yes

Question 2: Please tell us why.

Crisis agrees with the proposal to remove a landlord's ability to end a fixed term standard contract under section 186. However, we would question whether this situation is sustainable for tenants. We would urge Welsh Government to consider what support would be available to tenants in this position to be supported to find an alternative tenancy, particularly where an individual may be at risk of falling back

into homelessness. In our report Everybody In: How to End Homelessness in Great Britain, we recommend that Welsh Government introduce a statutory requirement on local authorities to provide a Tenancy Relations Service. An effective tenancy relations service would help to reduce demand on the legal system, by ensuring most cases are resolved outside the courts. A tenancy relations service would also play a key role in homelessness prevention. It would help to resolve issues that may otherwise escalate to the point where the tenant chooses to leave or the landlord serves notice.<sup>14</sup>

**Question 3**: How would this change affect you? Please consider both positive and negative impacts.

Proposal with regards to further protection against retaliatory evictions

### These questions should be answered by all respondents

The Welsh Government proposes that, where a court has deemed a notice under section 173 of the 2016 Act to have been issued in a retaliatory fashion (e.g. to avoid undertaking repairs reported by the contract-holder) a landlord will be prevented from issuing a further notice under section 173 for six months.

Question 1: Do you agree with this proposal?

Yes

Question 2: Please tell us why.

Crisis agrees with the proposal to restrict a landlord from issuing a further notice under section 173 for six months where a section 173 notice has been issued in a retaliatory fashion. However, we would question whether this situation is sustainable for tenants and would urge Welsh Government to consider what support would be available to tenants in this position to be supported to find an alternative tenancy, particularly where an individual may be at risk of falling back into homelessness.

In our report Everybody In: How to End Homelessness in Great Britain, we recommend that Welsh Government introduce a statutory requirement on local authorities to provide a Tenancy Relations Service. An effective tenancy relations service would help to reduce demand on the legal system, by ensuring most cases are resolved outside the courts. A tenancy relations service would also play a key role in homelessness prevention. It would help to resolve issues that may otherwise escalate to the point where the tenant chooses to leave or the landlord serves notice.<sup>15</sup>

<sup>&</sup>lt;sup>14</sup> Everybody In: How to end homelessness in Great Britain (2018) p.320

<sup>&</sup>lt;sup>15</sup> Everybody In: How to end homelessness in Great Britain (2018) p.320

**Question 3:** How would this change affect you? Please consider both positive and negative impacts.

### Proposal with regards to failure to comply with existing legislation

### These questions should be answered by all respondents

The Welsh Government is considering additional restrictions to any landlord seeking to issue a notice where they have failed to comply with relevant legislation. This will help drive up standards in the sector and ensure contract-holders live in properties of a safe and suitable standard. Key areas for consideration here are compliance with Gas Safety Certificates and Energy Performance Certificates

Question 1: Do you agree with this proposal in principle?

Yes

Question 2: Please tell us why.

Question 3: Are there any other matters which you think should be included within this provision?

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: