Part 2 | Section 8 Notices – Expanded Grounds

In just under three weeks' time, the Renters' Rights Bill is coming back in the House of Lords for the final consideration of amendments, before it receives Royal Assent sometime this autumn.

As we explained in issue one, Section 21 Notices were often used as the speediest route to securing vacant possession. However, they were not just used in straightforward cases such as when a landlord wanted their property back to live in it themselves, but the process was often used to evict problematic tenants.

There has always been strong resistance to this element of the Bill, but the new reality is that agents and landlords will need to rely on the Section 8 eviction process in the future.

The Number Of Grounds Will Increase

- Old model | Under the current system, there are 17 grounds for possession which can be used under Section 8; eight are mandatory, and nine of which are discretionary
- New model | There are going to be two additional grounds for possession, and three have been updated.

In this guide second of our Ten Essential Guides to the Bill, we'll tell you everything you need to know about the new, updated, and expanded grounds for possession under Section 8.



It is vital to ensure landlords can reclaim their properties when they need to; new, clear and expanded possession grounds will be introduced; we will ensure that there is no room for loopholes in the system, and tenants will benefit from longer notice and protected periods.

Baroness Taylor of Stevenage



Key Changes You Need To Know

These are the changes you'll need to prepare for:

1

UPDATED GROUND 1 | LANDLORD OR FAMILY OCCUPATION

Ground 1 has always allowed landlords to seek vacant possession so that they, or a close family member can move into the property themselves; and two months' notice applied.
However, the notice period will now double to four months, and this ground cannot be used within the first 12 months of a tenancy.

2

NEW GROUND 1A | SALE OF THE PROPERTY

This brand-new ground allows a landlord to regain possession if they genuinely intend to sell the property. Just as with Ground 1, the notice period is four months, and this ground can't be used in the first 12 months of a tenancy.

Landlords may need to provide evidence of intent to sell, such as such as:

- An estate agent agreement,
- A conveyancer instruction, or
- Marketing materials for the property.

It is assumed that tenants will leave once a valid notice 1A is served, but if they don't, then the court process will need to be followed. However, even if the property does not sell, or a sale falls through, the landlord is not able to re-let the property for 12 months – an area which has caused some concerns and debate from MPs and Lords.



In August, Labour MP Rushanara Ali resigned as the Minister for Homelessness when it was revealed that she served tenants notice to leave a property she owned, as she intended to sell it; however when the property failed to sell, she then re-let it at a higher rent.

Read more in our infosheet.

DOWNLOAD NOW

3

NEW GROUND 4A – STUDENT HOUSING



This brand-new ground is being introduced specifically for joint student tenancies in HMOs, giving landlords the ability to regain possession at the end of the academic year.

One of the most controversial areas of the Bill is the removal of fixed term tenancies; particularly the impact it would have on the student market. Without Ground 4A, student landlords risked being unable to confidently re-market the property for the forthcoming academic year, as they could not be assured that vacant possession would be secured.

However, this new Ground is accompanied by a number of important conditions:

- All tenants must be full-time students
- The tenancy must be a joint agreement
- Four months' notice must be given, and
- Crucially, the tenants must be informed before the tenancy begins that this Ground may be used.

Meanwhile, this Ground cannot be used when the property is let to part-time students, properties which have been let on individual tenancy agreements, or smaller student properties like one- or two-bed flats.

We'll explore this ground in more depth in Issue 7: Student Lets | Your Definitive Guide, including what to watch out for with part-time students and guarantors.



This ground will be far more acceptable to many student landlords... but it still does not deal with the primary complaint of most student landlords that having to give notice, as opposed to having a clearly established fixed term, reduces certainty that students will leave when they are expected to.

David Smith
| Partner | Spector Constant & Williams

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UPDATED GROUND 8 | RENT ARREARS

The mandatory ground for possession now applies when three months of rent are unpaid; under the current rules, two months' notice is required.

Additionally, four weeks' notice must be given before applying to the court; again, this has increased and is currently two weeks.

During the consultation process, the NRLA argued:

> *The amended ground 8 will allow tenants to accrue four months of arrears before landlords can apply to court to seek possession ... 67% of landlords identified this as their top concern regarding the Bill*
>
> **National Residental Landlords Association** NRLA

This increases the financial risk for landlords, making early arrears intervention and robust security cover essential.

5

AMENDED GROUND 14 | ANTI-SOCIAL BEHAVIOUR

Ground 14 remains in place as a discretionary ground; but it will be harder to evidence than the current Section 21 process that many landlords would usually use.

However, there is no minimum notice period so it could be faster to regain possession; but landlords will need clear, documented proof, including witness statements – which can be challenging if neighbours fear retaliation.

It will be vital for agents and landlords to keep a log of all reports, communications, and photos to help create a strong evidence trail.

Even when serving notice for the tenant to leave immediately, the case still has to go through the courts. The landlord can apply for an urgent listing, particularly if there are reports of violence or threats of violence, criminal activity such as drug dealing, or if it is believed that other tenants or neighbours are at risk.

Courts will be more likely to prioritise the case if they see the potential for immediate harm.



The Challenges Ahead

Court delays | The government is pressing ahead with reforms without waiting for court modernisation, which means that landlords can expect longer waits for possession hearings.

Higher evidential burden | Section 8 cases will succeed or fail on the strength of evidence. All breaches, communications, and inspections must be recorded accurately, and it is vital that notices must be served correctly and within the rules.

Important Steps To Take Now



1

MANAGE ARREARS

With Ground 8 thresholds set to increase, landlords are going to face a longer period of unpaid rent before they can act. Therefore, you should do everything you can to minimise the risk and impacts of arrears.

Train staff to escalate issues at the first sign of missed payments; and consider Rent and Legal Protection which not only protects landlord's income during lengthy possession cases, also provides access to a mediation service which can provide a speedy resolution.

2

REASSURE YOUR LANDLORDS

Many landlords are understandably anxious about the loss of Section 21 and the new Section 8 grounds. However, you can reassure them if you can confidently explain the changes and demonstrate you have strengthened your processes.

Position your agency as their trusted expert in navigating the new rules and highlight solutions like Professional Guarantor which can provide the extra reassurance.

3

REVIEW YOUR TENANT SCREENING PROCESSES

The best defence is prevention; therefore, you should:

- Carefully screen all potential applicants to identify any high-risk applicants.
- Upgrade to Elite Referencing, which is supported by our industry-leading "No Fraud Guarantee."

The Opportunity For Agents

With uncertainty comes opportunity – so now is the time to position yourself as a solution-focused expert. Your agency can thrive if you:

- Differentiate your services with enhanced management packages that provide risk-free renting for your landlords.
- Demonstrate strong tenant screening and legal compliance.
- Provide reassurance through clear, proactive communication.
- Offer Rent & Legal protection, with the ultimate protection when tenancies do go wrong.



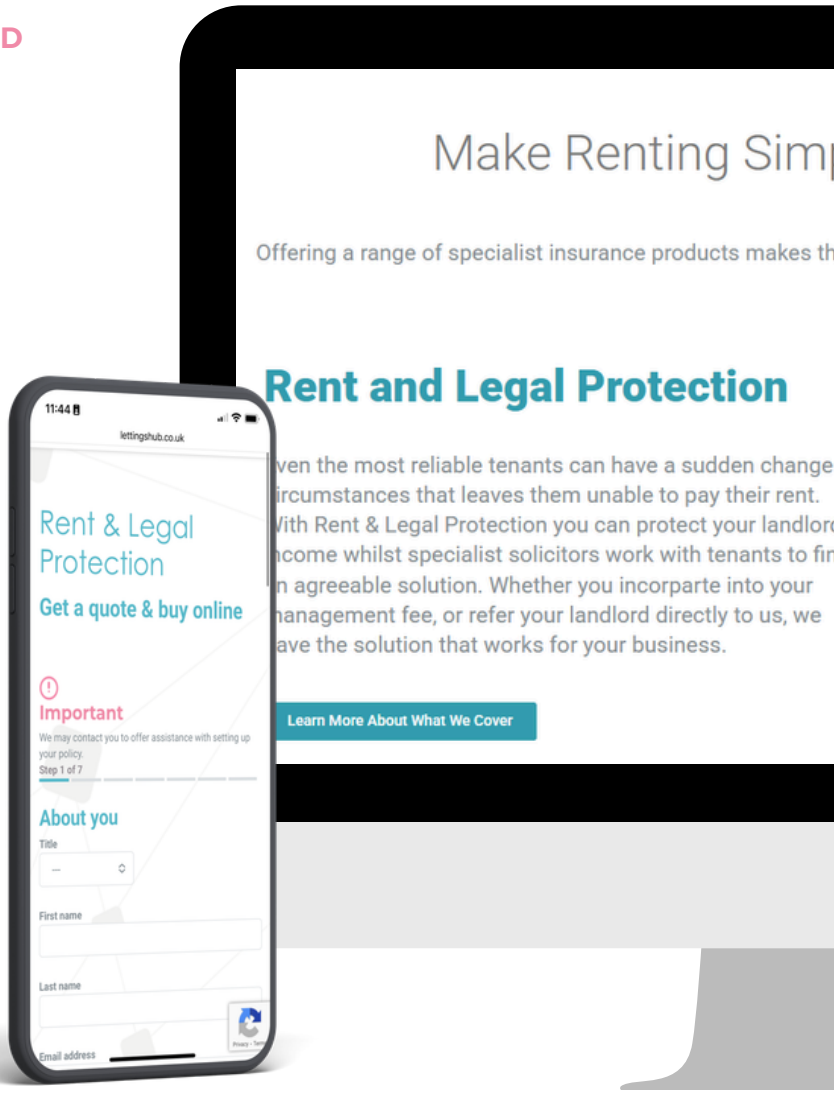
DID YOU KNOW OUR AGENT-OWNED RENT AND LEGAL PROTECTION WILL:

1 | Protect your landlords against non-payment of rent, as well as extended and complex eviction processes.

2 | Provide early intervention on rent arrears because our in-house mediation service is included as standard with every policy and achieves out of court resolution in 50% of cases.

3 | Offer access to expert support, ensuring every possession notice served on behalf of your landlord does the job. First time.

DISCOVER MORE



Look Out For Future Issues In Our 10-Part Special

Watch out for our full series of info sheets – comprehensive guides to the changes we can expect in the Bill, including:

- Preparing For The Removal Of Section 21 Notices.
- Section 8 Notices | Expanded Grounds And Notice Periods.
- Rent In Advance | When It Is, And Isn't Allowed.
- Fixed Term Tenancies | What You Need To Know.
- Increasing Rents Using A Section 13 Notice.
- Pets In Lets | Creating (And Protecting) Pet Friendly Tenancies.
- Students Lets | Your Definitive Guide.
- Renters' Rights Bill | Where Are We Now? Back In The House Of Lords.
- Decent Homes Standards And Awaabs Law.
- Rent Repayment Orders And Penalties.



BOX FROM THE LETTINGS HUB

At The Lettings Hub, we're always here to support you through the ever-changing lettings landscape. With the Renters' Rights Bill introducing new regulations, staying updated is crucial. That's why we offer a variety of resources to help you navigate these changes smoothly. From webinars and blogs to tailored guides, our platform is packed with expert insights. Be sure to follow us on LinkedIn and bookmark our Renters' Rights Hub for the latest updates, tips, and advice.

