Students and the Renters' Reform Bill

3:30pm-5pm, Wednesday 5th May 2023 Boothroyd Room, Portcullis House

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Introduction

The APPG for Students held a meeting to discuss the Renters Reform Bill, the proposals to exempt students from some of its measures, and what this might mean for student renters.

The meeting was chaired by Paul Blomfield MP and heard from a panel which included:

- Martin Blakey, Chief Executive of Unipol
- Conor O'Shea, Policy and Public Affairs Manager of Generation Rent
- Ella Hatch, Vice President of Liverpool Guild of Students
- Daisy Forster, Community Officer, University of Nottingham Students Union

Clive Betts MP, Chair of the Levelling Up, Housing and Communities Committee also joined the event, and outlined the Committees thinking in recommending an exemption from the ban on fixed-term tenancies for all student housing. He invited views from students and panellists on this issue.

The Positive Impact of the Bill

All panellists agreed that there were positive elements to the Renters' Reform Bill, and in particular, the introduction of a housing ombudsman and an end to Section 21 Evictions were seen as positive steps.

Ella Hatch from Liverpool Guild of Students and Conor O'Shea of Generation Rent both noted the positive changes that the Bill would bring for all renters, and believed the introduction of a housing ombudsman would empower renters to challenge their landlords' decisions and avoid the need to take them to an expensive and inaccessible court proceeding.

But Daisy Foster, while welcoming these elements of the Bill, argued that until there is enough supply to meet student demand, exploitation will be inevitable because students will be seen as vulnerable renters.

Student Diversity and Needs

Panellists emphasized that students are not a homogenous group and have diverse needs in the rental sector. They argued that all students should have the same rights and protections as other private sector renters.

• Ella Hatch from Liverpool Guild of Students stressed that students should not be treated as a homogeneous group, as their preferences and circumstances vary widely. The speaker pointed out that there was a false assumption that students have the same lifestyle – they are all on 3-year courses, all want a ten-month contract, etc. However, many want to stay in one place for the entire year or for their entire degree. Those living in mixed households, mature or part-time students, estranged students, those with families, or those who stay on to study while their friends do not and make their university house a permanent home, will have different needs to other students

Daisy Forster from Nottingham SU echoed the sentiment that students should not be stereotyped and highlighted the importance of considering students' diverse needs. The speaker pointed out that students can be the most vulnerable of tenants; they are open to exploitation from predatory landlords, are often targeted by crime, and many also live below the poverty line. The Speaker spoke about the lack of rent caps and the need for better protection against unfair rent increases and supported the idea of a later sign-up period for housing to allow for changes in students' circumstances.

The Debate on Student Exemptions

The question of whether students living in off-street student rental accommodation should be excluded from the ban on Fixed Term Tenancy Agreements (FTTAs) was the focus of debate in the room. Debate centred on whether an exemption would risk students becoming second class tenants, and whether the ending of periodic tenancies might incentivise landlords to withdraw their properties from the student rental market.

Conor O'Shea of Generation Rent argued against student exemptions, emphasizing that students should not receive fewer rights than other renters. The speaker highlighted the similarities between the challenges faced by both student and non-student renters and argued that students are reflective of the general population. The speaker further cautioned against carving out the student market from the Bill, as this could set a precedent for other exemptions and exacerbate existing housing shortages. Finally, he argued that it would be logistically impossible to have people in a mixed household on the same tenancy but with different rights.

But Martin Blakey from UniPol raised concerns about the lack of detail in the Bill and the potential impact on the student housing market. The speaker emphasized the importance of maintaining the current student letting cycle and addressing complexities surrounding joint tenancies. The speaker shared examples of housing shortages and loss of housing stock experienced in other cities after similar reforms. In particular, the speaker thought it important to look to Scotland where similar legislation was enacted in 2017; in both Edinburgh and Glasgow, there was a 40% reduction in the street housing stock available to the student market in response to the legislative changes.¹ Landlords have instead rented to young professionals or leased their properties as Airbnb's. The effect has not been uniform however, and in Dundee for example the reforms are working well. The Bills measures need careful consideration, and the educational cost of insecure housing is high. The Speaker stressed the need for robust quality regulations.

Daisy Forster expressed concerns about joint tenancy agreements for fixed-term contracts, as they could limit students' choices and freedom. Currently, each member of a household has a tenancy, but if the fixed term contract is removed, either everyone would be liable for the rent if one person moved out, or a landlord could rent a series of individual rooms and move a renter in with strangers. The speaker stressed that students want to retain choice and freedom.

Ella Hatch expressed concern for the potential impact of exemptions on mixed households, mature or part-time students, and those with families, citing a need

¹ <u>Private Housing (Tenancies) (Scotland) Act 2016</u>, establishing a <u>private rental tenancy system</u> replacing assured shorthold tenancy agreements.

to address situations where a student's status changes during the tenancy. If students were excluded from the Bill as a category of renter, it would have even more difficult implications for those living in mixed households, for example mature or part-time students, those with families or even those who stay on studying while their friends do not. Rolling tenancies could provide students with the same rights as other renters while maintaining their independence.

Concerns with regards a student exemption were reflected in the contributions from the floor and the subsequent debate, with students sharing the following experiences and concerns:

- The main arguments against an exemption were that students would receive greater protection and stability from moving away from FTTAs, would be empowered to more readily challenge landlords over substandard housing, and that the creation of a two-tier rental market would be prevented.
- Chloe Field of NUS was concerned about students becoming second class renters, who would not have the protection other renters have, as they would still be subject to FTTAs. She feared this would mean the student market might become attractive to less scrupulous landlords, due to being less protected tenants.
- Conor O'Shea and Lloyd Russel-Moyle MP, who is the Chair of the APPG for Renters and Rental Reform, echoed these concerns.
- Both a student from Liverpool Guild and a student from Arts SU argued that there was an assumption in the Bill that all students want ten-month contracts. This ignores the needs of those who are estranged, with families, postgraduates, or those who simply wish to stay in their place of study for twelve months of the year to work and set down roots in a community. A student who changes their student status mid-way through a contract would then be subject to a change of rights and rental status.
- Both Chloe Field of NUS UK and Conor O'Shea from Generation Rent warned that exempting students as a group of renters would set a precedent to exempt other vulnerable renters' groups. In the previous swathe of reforms, Assured Shorthold Tenancies had been intended as an exemption, but were now the norm for rental contracts.

However, there were also concerns about other negative impacts for students and the student rental market if off-street student housing did not receive an exemption:

• The main argument for an exemption is to safeguard the supply of student housing stock. Loss of housing stock could result both from landlord flight, or from students electing to stay in the property after graduation and on the same contract, thus removing the property from the student market. If an exemption was made for students living in off-street housing, this might prevent either of these two scenarios. Several speakers pointed to the fact that the amount of housing stock in the student market was already in decline.

- A student from Birmingham worried that if students were not exempted, the student housing market would be destroyed. Students might be forced to rent individual rooms and move in with strangers. Additionally, they highlighted that if students were not exempted to maintain the current rental contract system, students may become priced out of their current rental areas. For example, young professionals would move into city centre accommodation in Birmingham which is where current students live as it is closest to campus.
- Martin Blakey also highlighted that without an exemption for off-street student housing, this may create a two-tiered student housing market, between off-street student housing where FTTAs were no longer allowed, and PBSAs which are already exempt. This may have a knock-on-impact on what properties are available to students and reduce choice in the market.
- Martin Blakey also pointed to the danger of complexities around joint tenancies; for example, if one housemate moved out, they had the power to break the tenancy. This might cause problems for the group as a whole.

Concerns and Considerations: Where could the Bill go further?

Various concerns were raised during the discussion, including the potential impact of exemptions on mixed households, the need for rights continuity during changes in student status, and the risk of creating a two-tier rental market. The challenges of early sign-up, limited housing supply, and exploitation of international students were also highlighted.

Martin Blakey from UniPol was concerned by the lack of detail in the Bill, and felt the Bill needed to consider how to maintain the current student letting cycle. Presently, until notice is given by the current occupants, students cannot find a given property as it will not be available; so, rolling tenancies risk breaking a market which operates on an influx of students and properties entering the market at once, by forcing a property from the market if student tenants choose to stay after graduation.

Daisy Forster was disappointed to see no measures around rent caps and pointed out that tribunals over unfair rent rises are costly and lengthy, and this puts students off seeking redress. Students should be given flexibility in their housing contracts – i.e., not sign in October.

Early sign up for tenancies

A key problem for student renters that was identified by the debate is the pressure they are under to view and sign a tenancy agreement for a property earlier and earlier each year. The Renters' Reform Bill will do little to address this, and students felt strongly that it should.

Ella Hatch argued that early sign up was a problem not addressed by the Bill and pointed to Liverpool, where early sign up for housing causes chaos, with 60% of students looking by December.

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There was consensus amongst panellists that a later sign up would be ideal: currently, students sing onto properties well in advance, meaning their situations might change by the time the contract starts. This was also supported by contributions from the floor:

- A student at the University of East Anglia who signed up early to secure housing had significant disagreements with those he was renting with after six months. Because he could not break the housing contract, he had to pay for accommodation he did not use, and sofa surf for the remaining six months of his contract. He argued a rolling tenancy would have prevented this.
- A student at Liverpool Guild shared that 1/3 of students in Liverpool were looking for housing by December, shared concerns about the impact of early sign up on student safety and student choice.
- A student at the University of Manchester was currently paying rent on two properties, as he felt he had to secure housing for the coming academic year, and this was the only way to ensure it. He could not leave his old tenancy, and was £1300 in his overdraft, with £500 still to find to cover the Summer's double rent, meaning he was taking on multiple jobs.

Proposed Ways Forward

Panellists and attendees proposed several solutions to improve the Bill and address student concerns.

Across the conversation, students shared ideas and suggestions for ways that the Bill could be improved, or good practice which individual institutions currently deliver which could be scaled up.

- A student from Arts SU pointed to her experience at the University of Kingston when she was an undergraduate. The university acted as the major landlord, vetting private landlords, entering contracts with them, and then subletting to their students. There was a break clause part way through the year and at the year end, or students could renew their contracts. This meant that there was more security, and students were able to ask for repairs without fearing punitive action from their landlord.
- Several speakers agreed that it would be beneficial for universities to become more involved in the student housing market, including Lloyd Russell-Moyle MP who suggested housing could be linked to the university's duty of care for the student. Universities could then enter arrangements with landlords and housing providers, lease the stock and then contract it to students, the university effectively becoming the landlord.
- A student from University of East Anglia suggested landlords should only be allowed to advertise to students in a shorter window in the Spring Term. This would prevent the pressure of signing up too early.
- UniPol advocated for a cooling off period for tenancies, and for break clauses through the year should a students' circumstance change.
- Several speakers shared the need for Local Authorities to receive additional funding to be able to enforce renters' protections.
- A shared concern was the lack of detail and clarity in the Bill, and the lack of exemption for charitable providers of housing, meaning organisations

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such as UniPol who rent to vulnerable students at a low cost for the course of their studies could struggle to deliver their charitable objectives.

A consensus emerged that implementing later sign-up dates for housing would be a positive. Allowing students to leave tenancies at no cost if they find replacements, involving universities in the student housing market, strengthening quality regulations, and providing additional funding to Local Authorities for enforcement were all seen as other measures which would improve the experience and wellbeing of student renters.

Participants stressed the need to consider the diverse needs and experiences of students in the rental market. It was agreed that clarity should be sought from the government, particularly with regards to how the Bill might impact international and vulnerable students.

Next Steps

All student participants expressed a commitment to further scrutinize and amend the Renters' Reform Bill to ensure it adequately addresses the concerns and rights of student renters.

If you would like more information on students' views on the Bill, please contact APPGStudents@nus.org.uk