

Private Landlords and Letting and Managing Agents (Regulation) Bill

CONTENTS

- 1 Mandatory national register of private landlords
- 2 Regulation of private sector letting agents and managing agents
- 3 Transparency of fees of private sector letting agents and managing agents
- 4 Requirement for written tenancy agreements
- 5 Designation of selective licensing schemes
- 6 Consultation
- 7 Financial provisions
- 8 Orders and regulations
- 9 Offences
- 10 Interpretation
- 11 Short title, commencement and extent

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TO

Establish a mandatory national register of private landlords; to introduce regulation of private sector letting agents and managing agents; to establish a body to administer the national register and to monitor compliance with regulations applying to letting agents and managing agents; to require all tenancy agreements entered into with private landlords to take the form of written agreements; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Mandatory national register of private landlords

- (1) There shall be established a mandatory national register of private sector residential landlords (“the Register).
- (2) A duty shall be placed on all private sector residential landlords to sign up to the Register, and to pay an annual registration fee and provide all the information prescribed in regulations by the Secretary of State as required in the Register. 5
- (3) Private sector residential landlords who—
 - (a) do not sign up to the Register, or
 - (b) falsify information or provide incorrect information in the Register, 10will be liable to the penalties specified in section 9.
- (4) There shall be established a body to administer the Register as prescribed in regulations by the Secretary of State and to monitor compliance with regulations applying to letting agents and managing agents.

2 Regulation of private sector letting agents and managing agents 15

In section 1 of the Estate Agents Act 1979 (estate agency work), leave out “to which this Act applies” and insert “and in subsection (1A) below to which this Act applies.

(1A) This Act also applies, subject to subsections (2) to (4) below, to—

- (a) things done by any person in the course of a business (including a business in which he is employed) pursuant to instructions received from another person (in this section referred to as “the client”) who wishes to let or have the letting of an interest in land managed (for example, the collection of rents on his behalf) – 5
- (i) for the purpose of, or with a view to, effecting the introduction to the client of a third person who wishes to let an interest in land; or
- (ii) after such introduction has been effected in the course of that business, for the purpose of securing the letting of the interest in land; or 10
- (iii) for the purpose of, or with a view to, managing the letting of the interest in land on behalf of the client; or
- (iv) for the purpose of, or with a view to, block management of interests in land; and 15
- (b) management activities undertaken by any person in the course of a business (including a business in which he is employed) in connection with land or interests in land.”
- 3 Transparency of fees of private sector letting agents and managing agents 20**
- (1) There shall be a requirement for letting and management agents to provide information on fees in a standardised and comparable format in all material for both prospective tenants and landlords. Landlord and tenant fees should be displayed alongside each other together with the purpose of each charge.
- (2) In subsection (1) “in all material” includes on the agent’s website, within property search website adverts alongside the rental asking price and in all paperwork. 25
- 4 Requirement for written tenancy agreements**
- It shall be a requirement for all persons newly entering into or renewing a private sector residential tenancy, be it undertaken directly or through a third party, to do so in the form of a written tenancy agreement between tenant and landlord. 30
- 5 Designation of selective licensing schemes**
- In section 80 of the Housing Act 2004 (designation of selective licensing areas) – 35
- (a) leave out subsection (3)(a) and substitute “that where selective licensing would improve the local environment through improved property management and provide significantly more good quality properties that are professionally managed for those privately renting, and”; 40
- (b) leave out subsection (6)(a) and substitute “that where selective licensing would reduce anti-social behaviour in that area;”.
- 6 Consultation**
- (1) Before making regulations under section 1, the Secretary of State must undertake a process of open consultation. 45

- (2) Any open consultation under section 6(1) must seek the views of—
- (a) all major stakeholders, and
 - (b) the relevant select committee of the House of Commons.

7 Financial provisions

- There is to be paid out of money provided by Parliament –* 5
- (a) *any expenditure incurred under or by virtue of this Act by the Secretary of State, and*
 - (b) *any increase attributable to this Act in the sums payable under any other Act out of money so provided.*

8 Orders and regulations

- (1) Any power to make an order or regulations under this Act is exercisable by statutory instrument.
- (2) A statutory instrument containing an order may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament. 15

9 Offences

A person guilty of an offence under section 1 is liable on summary conviction, to a fine not exceeding level 3 on the standard scale.

10 Interpretation

- In this Act— 20
- “prescribed” means prescribed by regulations made by the Secretary of State following a public consultation by the Secretary of State;
 - “private sector residential landlord” applies only to those who own and rent out their property in England for residential purposes and does not include those who sublet a room or rooms within their property, or a registered social landlord within the meaning of Part 1 of the Housing Act 1996. 25

11 Short title, commencement and extent

- (1) This Act may be cited as the Private Landlords and Letting and Managing Agents (Regulation) Act 2013. 30
- (2) The Act shall come into force three months after the day on which it is passed.
- (3) This Act extends to England only.

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