

Universities UK briefing

Renters' Rights Bill

Second reading: House Lords, 4 February 2025

This briefing outlines Universities UK's (UUK's) recommendations in relation to the Bill's impact on the student housing market.

The Renters Rights' Bill is an education issue, not just a housing issue. Accommodation forms an integral part of many students' experiences of university. Over 1.2 million full-time students in the UK (close to 60%) live away from their own home or family home¹. It is therefore crucial that all students have access to safe, good quality and affordable accommodation throughout their higher education.

The aims of this Bill are welcome, and we support increased attention on where improvements to the student accommodation market can be made. However, steps should be taken to ensure there are no unintended consequences that result from this Bill, in particular a further reduction in supply of accommodation, which would not be in the interests of students.

Different types of student housing explained:

Purpose built student accommodation (PBSA): these are either owned and managed by universities or by a private company. Places are often reserved for first year undergraduates. Most PBSA is similar to a traditional 'hall of residence', although it is becoming increasingly diverse in its offering.

Off street student housing: Shared homes which are rented by students in the community. These are usually houses in multiple occupation (HMOs) which are rented in the Private rental sector (PRS).

¹ <https://www.hesa.ac.uk/data-and-analysis/students/where-study#accommodation>

Summary of UUK's priorities

- The grounds for possession of student HMO landlords (4A) only relates to the traditional autumn start for the academic year and does not account for the increasing number of courses, and therefore tenancies, that start throughout the year, particularly in January.
- The Bill could result in different sets of tenants' rights between different types of student accommodation.
- We are seeking a commitment from government to consult with relevant stakeholders on changes to student tenancies in the private rental sector.
- The definition of an HMO in the Bill is three or more individuals; landlords renting one- and two-bedroom flats to students will therefore not be able to use this ground for possession, leaving them unable to sign tenancies with future students and more likely to rent to other tenant groups.

The impact of the Renters' Rights Bill on the student housing market

The availability of suitable accommodation is a crucial part of a thriving higher education sector, and at UUK we have worked with the sector to support good practice to manage supply challenges.² Decisions from students on where they should study should be based on academic considerations, not the local availability of accommodation or its cost within a particular region.

We welcome the Bill's proposals to introduce a ground for student HMO landlords to serve a notice and ensure properties can be vacant in time for the next academic year. However, whilst it is welcome that landlords will be required to serve notice between a specific period (1 June and 30 September), which will protect students from being evicted at any point in the year, we are concerned that this ground for possession only relates to the traditional autumn start. Given the increased diversity of how and when courses are delivered, including those starting in January, there will be some courses which are inappropriate for this model.

Whilst we welcome the ambition of the Government's amendment 18, which will ensure that Ground 4A is not available if the tenancy of student accommodation is

² <https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2023-06/Supporting-good-practice-in-student-accommodation.pdf>

granted more than 6 months before, its implications for the availability and affordability of student accommodation must be closely monitored. The student rental market operates on a cyclical basis, which Ground 4A reflects, and any changes to how student landlords operate within the market may influence their behaviour and consequently students' access to good quality and affordable accommodation. We are therefore calling for a thorough impact assessment and consultation with the higher education sector to be conducted.

Furthermore, the definition of an HMO in the Bill is three or more individuals; landlords renting one- and two-bedroom flats to students will therefore not be able to use this ground for possession, leaving them unable to sign tenancies with future students and more likely to rent to other tenant groups.

Universities UK's recommendations

1. **We are seeking a commitment from government to consult with the sector on changes to student tenancies in the private rental sector.** There is a risk that without proper scrutiny these proposals could have unintended consequences for students. The government should publish a detailed impact assessment, learning lessons from Scotland, to better understand the impact of abolishing fixed-term tenancies on the availability of student accommodation. This should include the impact of HMO landlords exiting the market, which could lead to increased rent and less choice. We know that this is likely to disproportionately impact disadvantaged students, who may be forced to choose their place of study based on where they can afford to live or they may increasingly commute or live at home during their studies. Although living at home will be the right choice for some students, for those who seek to live away, we cannot risk accommodation becoming a barrier to aspiration.
2. We are aware that the quality of student housing in the private rental sector can sometimes fall below the expected standard. However, most student housing is subject to mandatory licensing, with local authorities having responsibility for implementation. This could be extended to all student HMOs. **The government should ensure that local authorities have sufficient funding, resources and powers to enforce existing licensing agreements.**
3. **There is currently a lack of detail on how these proposals would work in practice.** We would encourage greater clarity on the following points:

- a. Monitoring the unintended consequences of the Bill (e.g. in relation to landlord behaviour) to ensure the student market remains attractive for landlords and is ready to meet expanding student numbers in coming years.
- b. Given the increased diversity in how and when courses are delivered there will be some courses which are inappropriate for the Bill's proposed model of landlords serving notice between 1 June and 30 September. The government should consult with the sector to identify where this is the case and what amendments can be made.
- c. Would the government, through a consultation explore the proposal to extend the exemption for PBSAs to HMOs and create a specific form of tenure for students that covers all student landlords?

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About Universities UK

At Universities UK, we harness the power of the UK's universities and create the conditions for them to thrive. We are the collective voice of 141 universities, bringing them together to pursue a common cause: Thriving universities, serving society.

This mission forms the core of our strategic plan which runs to 2030 and sets out our ambitions for the sector. We will use our unique role to ensure our universities can transform the lives of more individuals, drive greater growth and create flourishing places through the knowledge and skills they generate, and be globally competitive centres of research making ground-breaking discoveries. We will help them achieve more by securing sustainable funding and building pride in our universities.