

Renters' Rights Bill – Surrey Students' Union

Written Evidence for the Attention of the Public Bill Committee

1. Executive Summary

- 1.1 This submission is made by Surrey Students' Union on behalf of 17,000 students at the University of Surrey, with insight also provided by Hoods Residential, a Guildford-based lettings agency. We call for the following amendments:
 - i. Afford tenants the right to serve two months' notice before commencing a tenancy.
 - ii. Link annual rent increases with the property, rather than the tenancy.
 - iii. Extend the same rights to PBSA housing licenses as provided under assured tenancies.
 - iv. Link possession under the summer evictions provision to the students' academic year.
 - v. Give remaining joint tenants the automatic right to continue the tenancy under new terms following the notice to quit from one individual tenant.
 - vi. Abolish the use of guarantor requirements, and add further protection for international students by specifically preventing discrimination based on nationality.
 - vii. Introduce a duty on universities to ensure access to affordable and suitable accommodation, as far as is reasonably practicable.
 - viii. Introduce provision for considering educational disruption in setting compensation.
 - ix. Require advance notice and demonstrable accurate deductions when making end-of-tenancy deposit deductions.

2. Introduction

- 2.1 Surrey Students' Union (SSU) is the sole representative body for students at the University of Surrey, located in Guildford, Surrey. **SSU represents and submits this written evidence on behalf of approximately 17,000 student members.**
- 2.2 This submission comprises evidence from formal mechanisms for student feedback, including surveys and student voice campaigns. This submission also highlights the expertise from our Advice Service, who offer confidential housing advice and generalised guidance on housing issues throughout the year, partnering with a student lettings agency located in our Union building, Hoods Residential, for their expertise.

3. Rental Bidding

- 3.1 The practice of rental bidding is damaging to the housing market, and disproportionately affects students who have a limited income and may not be able to meet inflated rent demands. In competitive markets, rental bidding has an even greater impact, who may already be facing high rent and limited supply of safe and affordable accommodation.
- 3.2 In Guildford, an area of above-average rent costs in the South East of England, these issues are exacerbated for students. Guildford has an average rental price of £1577 per

month, compared to the national average of £1295¹. This also represents an annual increase of 6.2% from September 2023². However, the number of private rental properties in Guildford is approximately 19.2%, which is below the national average of 20.5%³. Students in Guildford are therefore more likely to face competition for private rental properties, and will also be more likely to face high rents to secure these homes.

- 3.3 Rental bidding in a competitive and high-price market such as Guildford would have a devastating effect for students. **Our experience has found that students are already reporting feeling pressured to accept extremely high rent prices to secure accommodation**, unable to fully consider value for money or the ability to negotiate for more cost-effective contracts.
- 3.4 The Renters' Rights Bill is clear that landlords cannot engage in the practice of rental bidding. SSU is strongly **in support** of this aspect of Bill, and encourage the Public Bill Committee to retain these safeguards for renters in the final version of the Bill.

4. Two Months' Notice Periods

- 4.1 The provision under the Bill for tenants to exit a tenancy on two months' notice is very welcome. Students are more likely than those in full-time employment to have a change in circumstances, especially due to potential academic or other issues leading to non-progression or withdrawal from their studies. For example, students who undertake and fail to pass re-assessments in the late summer may find themselves unable to progress with their studies in the autumn.
- 4.2 Two months' notice periods would protect students who encounter unexpected changes in their accommodation requirements from being locked into rental contracts when these contracts are no longer needed. This provision would also allow students to source other suitable accommodation without the financial strain and distress of homelessness.
- 4.3 However, SSU wishes to note that students are particularly likely to secure and sign rental contracts far in advance of the date at which they take possession of the property. Due to the limited availability of suitable, affordable accommodation in Guildford, **students are encouraged to sign up for private rental contracts with their peers as early as October, and in some circumstances, as early as mid-September**, but will not take possession until the following summer. Due to the length of this interim period, it is very possible that academic or personal issues may impact the accommodation requirements of a student already signed into a rental contract.
- 4.4 **We have seen multiple instances where friendships breakdown, students leave the university, fail or defer their studies during the interim period after signing a contract.**

¹ Office for National Statistics, Private rent and house prices, UK: October 2024. Available at ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/october2024.

² Office for National Statistics, Housing prices in Guildford. October 2024. Available at ons.gov.uk/visualisations/housingpriceslocal/E07000209/

³ Office for National Statistics, How life has changed in Guildford: Census 2021. January 2023. Available at ons.gov.uk/visualisations/censusareachanges/E07000209/

- 4.5 The Bill does not safeguard tenants who wish to serve a notice to quit **before** taking possession of the property, as Section 19 states this notice can only be served once the tenancy is in effect. SSU proposes the Bill be **amended** to afford tenants the **right to cancel a tenancy on two months' notice before commencing the tenancy**.

5. Rent Increases & Summer Evictions

- 5.1 The Bill's protection against rent increases is very welcome to ensure that rent increases are periodic, predictable, and clearly communicated to tenants. The average rental price in Guildford of £1577pcm⁴ represents an annual increase of 6.2% from September 2023⁵.
- 5.2 **In our experience, this increase of 6% is reflected across student contracts.** We see many instances of landlords substantially increasing rent prices as the market in Guildford is one of high demand and limited supply. In one instance, a house of four each paying £635pcm were asked to renew at £700pcm. The tenants were forced to either agree to the significant increase, or find alternative accommodation.
- 5.3 The Bill allows for a once-per-year rent increase (Chapter 1, Section 7), but also grants landlords the ability to evict students during the summer (Schedule 2, Ground 4A). The summer eviction ground offers landlords the option to evict student tenants over the summer and introduce new tenants at a higher rental cost regardless of the annual rent increase limit.
- 5.4 To safeguard student renters from this misuse of the summer eviction ground, the Bill should be **amended** to instead link annual rent increases with the **property, rather than the tenancy**. This would ensure that students who are brought into properties following the eviction of previous student tenants are not faced with a significant price increase.

6. PBSA – Assured Tenancies

- 6.1 The current iteration of the Bill does not afford adequate protections for students occupying Purpose Built Student Accommodation (PBSA), as the Housing Act 1988 exempts PBSA from categorisation as assured tenancies, instead considered as licences.
- 6.2 As PBSA tenancies are not considered assured tenancies, student renters holding these licences are not afforded protection around a significant number of rental issues for which other tenants are protected under the Renters' Rights Bill.
- 6.3 **The widespread issues our students have faced with PBSAs give us significant cause for concern over the lack of protection for students entering into PBSA contracts.** We are aware of students with signed contracts for PBSAs with uninhabitable conditions at the date of the agreed move-in. Students were offered a hotel 60 miles from campus and were forced to pay upfront for hotel, travel, and food expenses for months. Some were

⁴ Office for National Statistics, Private rent and house prices, UK: October 2024. Available at ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/october2024.

⁵ Office for National Statistics, Housing prices in Guildford. October 2024. Available at ons.gov.uk/visualisations/housingpriceslocal/E07000209/

owed over £2000 in re-imburement and several did not get the full funds paid back before the PBSA went into insolvency. Upon move-in, students faced constant building work, flooding, further evacuations, and concerns around security and privacy.

- 6.4 **Our students have experienced issues with limited ability to exercise their rights when wanting to exit PBSA contracts.** In another instance, one PBSA occupied by our students contracted out their security staff, one of whom sexually assaulted a student and was reported to the police at the time. When challenged, the PBSA denied any safety issues, despite SSU providing evidence of students raising significant concerns. Several students wished to cancel their contracts due to safety concerns and, similarly to the case above, constant building work. Students were not allowed without arranging a new tenant for the room, despite the PBSA not fulfilling their contractual agreement.
- 6.5 SSU, therefore, **strongly advocates for the abolition of the provisions under the Housing Act 1988 which exempts certain types of student accommodation including those provided by Universities and PBSAs from being classified as assured tenancies** and instead allows these providers to offer licenses instead.
- 6.6 The Renters' Rights Bill should be **amended** to extend the following rights to PBSA and University-provided housing licenses: deposit protection, rent increase protection, eviction and notice period protections, and access to the rental market Ombudsperson.

7. Summer Contracts & Evictions

- 7.1 The Bill sets out a transition to periodic tenancies and introduction of the provision under Ground 4A for the eviction of student tenants between June – September, during the traditional “summer vacation” on many academic programmes.
- 7.2 Whilst we are strongly in favour of the provision for tenants to exit contracts with two months’ notice, we have significant concerns regarding the impact of the potential response from private landlords. We are concerned that landlords may seek to offer year-long contracts starting in June to ensure tenants are liable for rent during the summer even if not present in the property. Alternatively, landlords may instead offer shorter, 10 month contracts at a higher rent cost to cover what would have been earned over the summer. This may leave students as the only type of tenants required to shoulder the significant burden of financing a property whilst not occupying the home.
- 7.3 The summer evictions provision also has the potential to cause disruption to students on non-traditional September-to-June academic cycles. Surrey University, for example, has a large number of September-to-September postgraduate courses, and an increasing number of February-to-February courses. Students on these programmes facing summer evictions under Ground 4A will be disadvantaged.
- 7.4 **We estimate that 75 – 80% of our students will sign a summer start date contract for a property which they do not use over the summer.** Students understandably question why they pay rent and bills over the two months where the property remains empty.

- 7.5 The Bill should be **amended** to ensure that landlords who utilise the summer evictions provisions can only set tenancies that start at the beginning of the academic year to prevent the exploitation of incoming student tenants to recoup “lost” summer rent.
- 7.6 In order to also not disrupt students on non-traditional September-to-June renting cycles, such as those on February – February academic programmes, for instance, the Bill could be also be **amended** to link the possession ground to the students’ academic year.

8. Termination of Joint Tenancies

- 8.1 The ability for any one of the individuals comprising a joint tenant to give notice to quit a periodic tenancy without informing or gaining agreement from remaining tenants has the potential to cause significant confusion and disruption amongst student tenants, who are far more likely than other types of tenant to experience this issue.
- 8.2 **Students are highly likely to enter into joint tenancies, and may do so with other students who may conclude or withdraw from their studies earlier than others.** This means it is also far more likely that one tenant in a larger joint tenancy group will need to exit their contract earlier than the remaining tenants. In one joint tenancy of six students, three students wished to leave the contract due to various issues including friendship breakdown and withdrawal from studies, leaving those students liable for double rent until they filled their room.
- 8.3 The Bill should be **amended** to introduce protections for student tenants through requiring a pre-notice to quit to the landlord and all other individuals comprising the joint tenant ahead of serving a formal notice to quit. This would provide both landlords and tenants time to find alternative solutions to avoid vacancies or evictions.
- 8.4 In addition, the Bill should be **amended** to give remaining joint tenants the automatic right to continue the tenancy under new terms following the notice to quit from one individual tenant, either as a reduced group or with a replacement tenant, for example.

9. Guarantors

- 9.1 Guarantor requirements for students entering into private rental contracts can create a significant barrier for specific student groups. International students are disproportionately impacted by guarantor requirements, as are care-experienced students, estranged students, and those from lower socio-economic backgrounds, as these students are far less likely to be able to secure a valid UK guarantor. These students may therefore be exploited by landlords through other unfair rental practices to offset the risk perceived from not having a guarantor, including higher deposits or upfront rent payments. Though the Bill prevents discrimination on certain characteristics, this does not include nationality, so international students may still be faced with discriminatory rental practices even if guarantor requirements are abolished.
- 9.2 **We estimate 10% of our students do not have a guarantor**, who may be exploited by guarantor companies, asked to pay up to 6 months’ rent up front, or risk rogue landlords.

- 9.3 We join with other Students' Unions who call for the abolition of guarantors. The Bill should be **amended** to abolish the use of guarantor requirements, and should also be **amended** to add further protection for international students by specifically preventing discrimination based on nationality.

10. University Duties to Ensuring Suitable Accommodation Access

- 10.1 Higher Education Institutions (HEIs) should be expected undertake student recruitment from the UK and abroad reasonably in consideration of the available accommodation in close proximity to the location of study, in order to offer a fair and good-value experience for those students who have been recruited and promised a certain quality experience.
- 10.2 HEIs should be required ensure as far as reasonably practicable that recruited students are likely to be able to rent safe, secure, suitable, and appropriately priced accommodation at a reasonable distance from the location of study. The challenges faced by students in finding quality and affordable accommodation can have significant financial and personal ramifications. Our research found that money is a major cause of stress for students, with 83% of our students reporting concerns over cost of living, and 59% stating it was negatively impacting their wellbeing.
- 10.3 **Our HEI over-recruited, including internationally, without providing students with knowledge of the housing sector in Guildford.** We had families arrive requesting a 4 bed house for £1200, where the market value was >£2500. We do not believe that the University advertised their experience fairly, as many assumed they would be eligible for campus housing, where they were not. We saw some students commuting from as far as Birmingham to find suitable, affordable housing. Other students have reported that increasing rent has forced them into choices which negatively impact their wellbeing, such as living without heating or skipping meals, or choosing poor quality accommodation. After rent and bills, many students do not have the funds to commute regularly to University or engage in social activities which would improve their wellbeing.
- 10.4 The Bill should be **amended** to introduce a duty on universities to ensure access to affordable and suitable accommodation, as far as is reasonably practicable.

11. Redress Scheme

- 11.1 The Redress Scheme is a welcome part of the Bill. The Scheme, however, does not account for the consideration of disruption to education and on academic attainment when determining compensation. Housing issues, including unfair evictions, poor living conditions, or disputes with landlords, can have a significant impact on students' academic attainment. These issues may lead to a reduced ability to engage in the programme of study the student has paid for, a negative impact on attainment, failure to progress which may lead to students repeating their studies, facing further costs, and in the most severe circumstances, withdrawal or expulsion from their studies.

- 11.2 Several of our students are unable to afford rent prices, which then makes bills such as heating unaffordable. We see significant issues with mould in student housing due to the lack of heating which negatively impacts wellbeing. We are supporting a house of five students who have had to submit requests for academic extensions, deferring their exams, postponing their progression and graduation, as a result of the distress caused.
- 11.3 The Bill should be **amended** to include specific provisions for considering educational disruption and associated financial impact in compensation determinations.

12. Deposit Returns

- 12.1 Landlords can return partial deposits through the process of deducting cleaning, repairs, or other costs from deposits. These deductions can be made without any proof or follow-up from landlords to demonstrate that the cleaning or repairs were indeed carried out, and that the quoted charge and related deposit deduction was proportionate to actual costs incurred.
- 12.2 We have seen that the majority of landlords charge students for minor cosmetic issues, but the money will not be used to rectify the issues for new tenants. One household was charged £100 for an iron mark on the carpet but the carpet was not changed for the new tenants, and the mark is still there.
- 12.3 The Bill should be **amended** to regulate the practice of end-of-tenancy deposit deductions unless the tenant has been informed in advance and had the opportunity to remedy the identified issues before ending the tenancy, and that the landlord can demonstrate that the deducted amounts reflect actual costs incurred in addressing the specific issues.