

New emergency legislation—what we know so far

On 18 March 2020, the Government announced a “radical package” of emergency measures designed to protect both landlords and tenants affected by COVID-19. The Government press release refers to a number of significant interim changes affecting the private-sector rental market. These measures include:

- A three-month moratorium on the issuing of new possession proceedings;
- The extension of a three-month mortgage payment holiday to Buy to Let mortgages;
- A widening of the ‘Pre-action protocol’ on possession proceedings, with a view to encouraging engagement between landlords and tenants to resolve disputes; and
- New guidance for landlords to show “compassion” for tenants affected by COVID-19, by allowing them to stay in their homes wherever possible.

On 23 March 2020, the much-anticipated Coronavirus Bill was released, which introduces further measures that are likely to affect significantly the private-sector rental market and must be carefully considered by landlord and tenant practitioners. The principal changes introduced by the Bill are:

- A moratorium on forfeiture of business tenancies for rent arrears from the day after the commencement of the Act until (at least) 30 June 2020 (see NC30); and
- An extension (generally of either one or two months) to the Notice requirements for possession of residential properties following service of ss.8 & 21 Notices (see the Schedule to the Bill). Notably, this departs from the Government’s previously proposed three-month moratorium on the issuing of residential possession proceedings.

For forfeiture proceedings commenced prior to the Act coming into force, the effect of the legislation will be that delivery up of possession will not be ordered until after 30 June 2020.

Importantly, the legislation also includes provision for extending the relevant period beyond 30 June 2020, as the full implications of the COVID-19 pandemic become known.

At the time of writing, the Bill is being debated by the House of Commons. It is expected to be approved by the House of Lords and to obtain Royal Assent on 26 March 2020.

It is clear that the main policy objective behind the legislation is that no private-sector tenants will be forced out of their homes during the crisis. The vast majority of the proposed changes (save the introduction of a mortgage payment holiday to Buy to Let mortgages) are designed to protect tenants.

Housing Secretary Robert Jenrick MP has stated that: "The government is clear – no renter who has lost income due to coronavirus will be forced out of their home, nor will any landlord face unmanageable debts. These are extraordinary times and renters and landlords alike are of course worried about paying their rent and mortgage. Which is why we are urgently introducing emergency legislation to protect tenants in social and private accommodation from an eviction process being started. These changes will protect all renters and private landlords ensuring everyone gets the support they need at this very difficult time".