How has the Renters' Rights Act changed the conversation for landlords?

The Renters' Rights Act has brought the biggest changes to the private rented sector in decades. While much of the debate has focused on tenants' rights, the legislation has also introduced new financial challenges for landlords, making risk management more important.

For brokers and advisers, the changes present an opportunity to revisit conversations around insurance and protection.

Our Head of Intermediary Mark Chappell and Chetwood Bank's Sales Director Roger Morris recently held a webinar covering off what you need to know as a broker, view it here:

https://youtu.be/tvecEhK3gBU

What has changed for landlords?

The removal of Section 21 'no-fault' evictions, the end of assured shorthold tenancies and longer possession processes.

Landlords now can't begin Section 8 possession proceedings until a tenant is at least three months in arrears, and they need to give a further 4 weeks' notice before instructing legal proceedings. With extended notice periods and existing court delays, this means landlords could face months without rental income before legal proceedings even begin.

Propertymark research shows the time from missed payment to regaining possession to now be 68 weeks, up from 20 weeks back in 2019. With the courts expected to come under greater pressure, this isn't expected to reduce in the near future.

Research from the National Residential Landlords Association found that 91% of landlords are concerned about court waiting times, while Consumer Intelligence expects both legal expenses claims and claim durations to rise.

Isn't landlord insurance enough?

Landlord buildings and contents insurance remains the foundation of protecting rental property. It safeguards the building, as well as any contents owned by the landlord, against insured events such as fire, flood and storm damage.

However, it isn't designed to replace lost rental income or cover the legal costs involved in regaining possession.

In today's market, landlords should be thinking about protection as a complete package. Buildings and contents insurance protects the property, while rent guarantee insurance and legal cover helps protect the income that property generates.

Why is rent guarantee insurance more important?

Rent Protection, Rent Guarantee Insurance, Tenant Default Cover, Rent Loss Insurance, these are all names for the same product.

With possession taking considerably longer than it has historically, landlords face a greater risk of rental income loss. A survey by The Landlords Association found that 76% of landlords are now more likely to consider rent guarantee insurance as a direct result of the Renters' Rights Act.

Many traditional rent guarantee products were designed around much shorter possession times. A six-month benefit period may no longer provide enough protection if court proceedings extend beyond that. Advisers should look for products offering longer periods of rental income cover.

What should brokers look for when recommending cover?

Not all rent guarantee policies offer the same level of protection, as is the same with all insurance and protection, looking beyond just the price can make a significant difference to the support a landlord receives.

Key considerations include:

- The length of rental income cover – is 6 months or 12 months really enough?
- The Excess - often in terms of months' rent.
- The level of legal expenses cover included.
- The quality of the insurer's claims service.
- The overall product, does it just cover the rent or does it have added benefits?

Legal expenses cover is particularly important. Recovering possession has become more complex and associated costs can quickly escalate. A policy that provides both rental income protection and legal expenses cover offers a more comprehensive solution.

How can brokers add value?

The Renters' Rights Act has made protecting rental income as important as protecting the property.

By discussing rent guarantee alongside landlord buildings and contents insurance, brokers can help clients build a more resilient protection strategy that reflects today's landscape. Rather than waiting until problems arise, advisers have an opportunity to help landlords prepare before they face lengthy possession proceedings or extended periods without rental income.

Ceta are the only provider in the intermediary market with a Rent Guarantee offering that gives your clients 18 months of protection against unpaid rent.

Helping landlords navigate a changing market

As the rental market evolves, landlords increasingly need protection that keeps pace with legislation changes.

Ceta offers brokers access to landlord buildings and contents insurance alongside market leading rent guarantee solutions designed for today's market.

To find out more about our landlord proposition and how you can better support your clients, speak to our wholesale team or register to the Infinity broker platform **here**.