# Student HMO landlords face rental contract crisis as Renters’ Rights Bill bans upfront payments



Amid rising concerns about the implications of the forthcoming Renters’ Rights Bill, one segment of the property market stands at a pivotal crossroads: student Houses in Multiple Occupation (HMOs). Richard Ward, Head of Research at StuRents, has highlighted a significant ‘crunch point’ looming for these landlords as the legislation is set to roll out later this year. This new law, which aims to bolster tenant protections, specifically prohibits the practice of tenants paying rent in advance once a lease has been signed—a rule expected to have far-reaching effects.

Currently, approximately 70% of students opt to secure their accommodation well in advance, often paying their rent upfront to mitigate future financial uncertainties. Ward stresses that this habit will be challenged by the new legislation, consequently restricting the options available to students seeking housing during the crucial November and December months. “So we will soon face an interesting situation,” he notes, where students will actively be searching for tenancies but may be unable to formalise agreements due to the prohibitive nature of the new rules.

A potential workaround for landlords could involve adjusting the start dates of tenancies. However, Ward casts doubt on whether this would be beneficial for either party, as such changes would lead to misalignment with academic term dates. Interestingly, it appears the legislation may allow for exceptions to the rent-in-advance prohibition. “Although it’s not confirmed yet, it is understood that purpose-built student accommodation will be exempt from this ‘forward rent’ rule,” Ward adds, raising the possibility that these properties could cater to the unmet demand during the typical student housing window.

Beyond immediate housing concerns, the Renters’ Rights Bill encompasses broader changes that could reshape the rental landscape altogether. An analysis of the bill reveals plans to implement mandatory rolling contracts and to establish a new Private Rental Sector (PRS) Ombudsman, as well as introducing more stringent rules around eviction grounds and the abolition of 'no-fault' evictions. This legislation is not just about regulating rents; it is also intended to uphold what is being termed the Decent Homes Standard, which aims to ensure better living conditions across the rental market.

Yet, the legislation's timing and its anticipated impact raise alarms among various stakeholders. A coalition of student housing providers has cautioned that the changes could limit access to higher education by disrupting the established rhythm of the student rental cycle. With many students relying on secure tenancies to support their educational pursuits, the proposed reforms may inadvertently create barriers that affect student mobility and choice.

As the government prepares to finalise details, the hope among student landlords remains that adjustments will be made to address their specific needs. Already, there is a provision within the bill that allows eviction of tenants for student landlords with a four-month notice period, offering some limited flexibility to reclaim properties before the academic year restarts.

With implications for both landlords and tenants still unfolding, the next few months will undoubtedly be crucial for everyone involved in the student rental market. How the government responds to the unique challenges presented by HMOs will be keenly watched by both tenants and landlords alike, as all parties navigate this transitional phase in UK rental policy.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.landlordzone.co.uk/news/student-hmo-landlords-face-rent-in-advance-crunch-this-november), [[2]](https://www.landlordzone.co.uk/news/student-hmo-landlords-face-rent-in-advance-crunch-this-november)
* Paragraph 2 – [[1]](https://www.landlordzone.co.uk/news/student-hmo-landlords-face-rent-in-advance-crunch-this-november), [[3]](https://www.derwentfm.com/the-renters-rights-bill-what-it-means-for-student-accommodation/), [[4]](https://amberstudent.com/news/post/how-will-the-renters-reform-bill-affect-the-student-accommodation-market-in-the-uk)
* Paragraph 3 – [[5]](https://www.cushmanwakefield.com/en/united-kingdom/insights/the-renters-rights-bill), [[6]](https://www.nrla.org.uk/news/renters-rights-bill-will-limit-access-to-higher-education)
* Paragraph 4 – [[1]](https://www.landlordzone.co.uk/news/student-hmo-landlords-face-rent-in-advance-crunch-this-november), [[7]](https://publications.parliament.uk/pa/cm5901/cmpublic/RentersRights/memo/RRB32.htm)

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## Bibliography

1. <https://www.landlordzone.co.uk/news/student-hmo-landlords-face-rent-in-advance-crunch-this-november> - Please view link - unable to able to access data
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7. <https://publications.parliament.uk/pa/cm5901/cmpublic/RentersRights/memo/RRB32.htm> - A memorandum discussing the Renters' Rights Bill's impact on student housing, including concerns about the applicability of new possession grounds to one- and two-bedroom student properties.