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COVID-19 and Possession Claims: Good news for tenants; Not such good news for landlords!

In the wake of the COVID-19 outbreak, many tenants are anxious that they will be unable to pay their rent and face eviction. Equally, many landlords will be anxious about defaulting tenants.

Many possession cases are still listed for hearing and it has been unclear whether the hearings will be taking place given that the court system is slowing down with the country now in lockdown.

However, there is now clarity from the government which will be welcome news for tenants but not such good news for landlords.

With effect from 26 March 2020, landlords of residential premises will have to give tenants a minimum of 3 months' notice of their intention to seek possession. The usual notice period in cases concerning premises let on an Assured Shorthold Tenancy ("AST") in non-fault cases is 2 months (in fault cases it can be as little as 14 days) and in non AST cases (e.g. Rent Act tenancies or company lets) 4 weeks' notice is often sufficient.

This now means that the earliest date a landlord can commence proceedings for possession will be 3 months from the date of service of the notice and this extended notice period is to apply until, at least, 30 September 2020 and may well be extended beyond that date.

The Court Service is to suspend all ongoing housing possession claims. This means that all cases currently proceeding or about to proceed cannot now proceed to the stage where a tenant can be evicted. In other words, current orders for possession will not be enforced and no new orders for possession will be made. To begin with this will last for 90 days.

This will not affect the tenant's liability to pay rent and this should continue as required by the tenancy agreement but clearly tenants are encouraged to engage with their landlord if they are suffering financial hardship and unable to pay their rent.

UNINTENDED CONSEQUENCES?

Whilst this will quite properly protect those tenants who, as a result of COVID-19, are suffering unavoidable financial hardship, it will be a blow to those landlords who themselves are suffering financially from non-paying tenants.

Whilst that is not the intention, this move by the government will also serve to benefit those tenants who deliberately flout their tenancy agreements and avoid paying their rent when it falls due.

NEED HELP?

If you have any questions about the impact these changes will have on you as either Landlord or Tenant to discuss the options available to you, please contact Steven Ross, Partner by email (sross@jpclaw.co.uk); telephone (0207 644 7261) or contact her on LinkedIn <https://www.linkedin.com/in/steven-ross-a6111a1b/>