

A landlord's guide to the Renters' Rights Act 2025

REAL ESTATE



What are the changes?

The Renters' Rights Act 2025 seeks to provide greater flexibility and security for residential tenants in England by abolishing the “no fault” ground of possession under section 21 of the Housing Act 1988 (HA 1988), as well as imposing additional restrictions and obligations on private landlords.

The legislation aims to discourage and regulate unscrupulous landlords and to give more transparency and recourse to tenants – creating space for professional operators to capitalise on emerging opportunities.

Now that Phase 1 has been implemented, all private rented sector assured shorthold tenancies have automatically been converted into assured periodic tenancies (APTs), which roll over indefinitely with no fixed end date. New assured tenancies can only be granted as APTs, with limited exceptions.

Landlords therefore need to be alive to the changes in how they demand and increase rent, retake possession and remain in compliance with the new regime.



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The changes brought in by the Act are likely to reshape PRS supply and valuations. The added administrative pressure on smaller portfolios, leading some to exit the market, may create opportunities for larger, well-capitalised landlords to consolidate.

Shoosmiths has a dedicated residential landlord and tenant team who can provide training to your inhouse team, help you review your portfolio or advise on a case-by-case basis.

Before a tenancy is granted



Advertising your property

The Act bans any unfair treatment of people who have children or receive benefits, that intends to make those people less likely to enter into a tenancy agreement. This could include restrictions on viewing a property or imposing unfair affordability requirements.

From a financial perspective, landlords and their agents are prohibited from inviting, encouraging or accepting multiple months' rent in advance of a tenancy being agreed. However, they can require a holding deposit to be paid by prospective tenants.

Rent up front

Once a letting agreement has been signed, landlords will be permitted to ask for the initial payment of rent upfront.

Because the tenancy will always be a rolling periodic contract however, this initial payment will be limited to a maximum of one calendar month's rent (or 28 days where the rental period is less than one month).

Landlords are therefore likely to continue requiring a deposit as a condition of granting an APT. The Tenant Fees Act 2019 caps these deposits at five weeks' rent (or six weeks' rent where the annual rent is £50,000+).

Alternatively, or in addition, landlords may choose to put in place other measures such as rental deposit protection or (if appropriate) requiring a guarantor.

Other administrative requirements

Before the tenancy is granted, landlords must provide the tenant with a written statement (which can form part of the letting agreement).

The statement must:

1. set out the key terms of the tenancy
2. include specific information about the landlord's statutory obligations under e.g. fitness for human habitation and electrical/gas safety regulations.

Notice relating to possession grounds

In some cases, before the tenancy is granted the landlord must also provide the tenant with written notice that it plans to rely on a particular ground for possession – notably, Ground 4A (student HMO) or where occupation is related to the tenant's employment.

Consequences of breach

The sanctions for breach of any of these prohibitions are severe – fines of up to £7,000 for a first offence, increasing to £40,000 for serious, continuing or repeated breaches.

It will be crucial for landlords to protect against the risk of rental voids at the outset, given the limitations on increasing rent and regaining possession.

During the term of a tenancy

Rent review

In order to increase the level of rent, landlords will need to serve two months' notice pursuant to section 13 of the HA 1988. This can only be served 52 weeks after the last time rent was increased.

Tenants can challenge the increase by application to the First-tier Tribunal (FTT). Once they do so, the date that any increase is implemented is then delayed to the date the FTT makes a determination as to the correct open market rent (i.e. it is not backdated to the date of the landlord's notice).

The FTT cannot order a rent higher than the level proposed in the landlord's initial notice. It is also unusual for either side to be required to pay the other's legal or other costs.

Landlords will need to regularly review their own repayments and outgoings, to ensure that notice of an increase is given promptly to avoid any shortfall.

Advance/lump sum payments

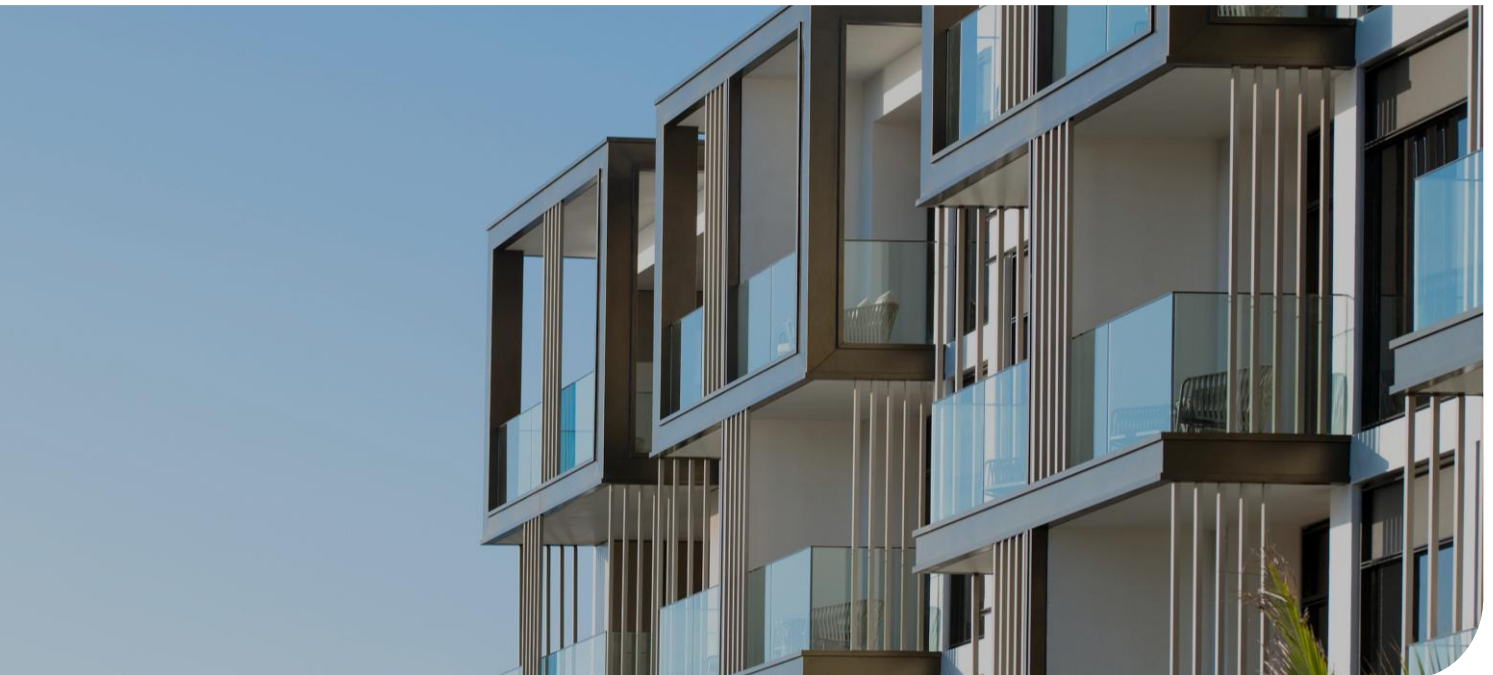
Tenants can only be required by their tenancy agreement to pay rent on a weekly or monthly basis. However, a tenant can choose to pay any amount of rent early.

Discrimination

Any terms in a tenancy which stop tenants from claiming benefits, or having children at the property, are no longer valid (subject to some limited exceptions e.g. where the restriction is a proportionate means of achieving a legitimate aim).

Consent to pets

Tenants have a right to request to keep a pet at the property. The landlord cannot unreasonably refuse the request, and any refusal can be challenged.



Ending a tenancy

If possession needs to be obtained, landlords must serve notice under section 8 of the HA 1988, which requires you to make out a ground for possession – and which can be challenged by the tenant, resulting in potential delay.

Tenants can give not less than two months notice at any time, to end on the day rent falls due, or the day before, unless the landlord and tenant have agreed in writing to a shorter period. Longer notice periods are void.

If a tenant does not vacate in accordance with the notice and even if the landlord has successfully made out its grounds, the landlord cannot simply change the locks and retake possession. Instead, it is required to obtain a court order for possession and, if needs be, to enforce that order by way of obtaining a warrant for execution by a bailiff.

We set out below the mandatory grounds most landlords are likely to seek to rely on.

GROUND	NOTICE PERIOD	COMMENTS
1A: Landlord to sell property	Four months	The landlord intends to sell a freehold or leasehold interest in a residential property, or intends to grant a lease of the property for a term certain of more than 21 years. Certain conditions must also be met: - the notice cannot expire within the first 12 months of the tenancy - the landlord seeking possession is not a non-profit registered provider of social housing, a body registered as a social landlord, a housing trust or where the property is social housing Should the landlord be unable to sell the property (for whatever reason), it is still prohibited from reletting the property for 12 months.
2: Repossession by the landlord's lender	Four months	The property is subject to a mortgage and the mortgagee is entitled to exercise a power of sale. The landlord/mortgagee does not need to give the tenant prior notice that they may seek to rely on this ground.
6: Property required for redevelopment	Four months	The landlord intends to demolish or substantially redevelop the property, and the works cannot be done with the tenant in situ. Certain conditions apply, notably that the notice cannot expire within the first six months of the tenancy.
7A: Antisocial behaviour	Immediate, but the possession order can only take effect at least 14 days after service of the notice	Available where certain conditions are met such as the tenant being convicted of a serious offence, an anti-social behaviour offence or has been found in breach of an anti-social behaviour injunction.
8: Serious rent arrears	Four weeks	Available where, at both the date the notice is served and the date of the hearing, the tenant's arrears are either: - more than three months' worth of rent (where rent is paid monthly) - more than 13 weeks' worth of rent (where rent is paid weekly) When calculating arrears, if the tenant is entitled to receive universal credit for housing under Part 1 of the Welfare Reform Act 2012, any amount unpaid only because the tenant has not yet received the payment of that award is to be ignored. Note that there are also discretionary grounds 10 and 11 (relating to any or persistent rent arrears) which may be pleaded in the alternative.



What's next?

Whilst Phase 1 of the implementation of the Renters' Rights Act 2025 is now underway, landlords of residential tenants should also be alive to the additional regulatory requirements coming later down the line.

From late 2026, the Government intends to introduce both a PRS Ombudsman scheme and an online Database. Participation by landlords will be mandatory, and subject to payment of a fee.

Further down the line, the Act also amends the Housing Act 2004 to provide for regulations setting minimum quality requirements for private rented properties (the "Decent Homes Standard").

THE MOST SIGNIFICANT REFORM IN A GENERATION

"Landlords who understand the new framework, adapt their operating models and maintain robust compliance processes will be best placed to capitalise on the opportunities that these transformational changes create."

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