

A landlord's guide to the Renters' Rights Act

REAL ESTATE

Introduction

The Renters' Rights Act seeks to provide greater flexibility and security for residential tenants in England by abolishing the “no fault” grounds of possession under section 21 of the Housing Act 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.

The key reforms under the Act will take effect from 1 May 2026. This is the date when the vast majority of new and existing tenancies in the private rented sector will become assured periodic tenancies (APTs), and the changes to the possession grounds and rent review process will come into force.

This means that, with a clearer picture of how the PRS will operate going forward, landlords have a brief opportunity to regularise their portfolios to avoid the risk of rental voids, and to seek possession where required.

You will also need to be aware of increased regulation being introduced via secondary legislation later down the line, such as the Private Rented Sector Ombudsman and Database, and the Decent Homes Standard.



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The proposed changes

Once the Act comes into force, all residential leases in the private rented sector will become assured periodic tenancies – meaning that they will no longer have a fixed end date and will instead roll over indefinitely until a valid notice is served by a landlord or a tenant under the Act.

This is intended to give more flexibility and security to tenants, but means that landlords will need to constantly review their portfolios in case they need to plan for possession in the short- to mid-term. The parts of the Act affect tenancies at different parts of their lifecycle.

Security

When granting a new tenancy, the Tenant Fees Act 2019 only allows landlords to take a deposit of five weeks' rent (or six weeks' rent where the annual rent is £50,000+). However, in some situations, landlords have circumnavigated this by accepting larger payments of rent in advance, by way of security.

Amendments made by the Act to the 2019 Act stop this practice in relation to new tenancies, by banning landlords and letting agents from requesting more than one month's rent in advance. This leaves landlords at risk where tenants fall behind with payments. For the avoidance of doubt, any term in an existing tenancy that provides for rent to be due in advance will still be effective.

The common practice of asking for the initial payment of rent upfront, once a letting agreement has been signed, is still permitted, although because the tenancy will always be a rolling periodic contract, this will be limited to a maximum of one calendar month's rent or 28 days where the rental period is less than one month.

Measures that landlords might take to mitigate loss of rent could include:

- asking for a guarantor or
- obtaining rental guarantee insurance. This may result in an additional cost to the landlord, as any premium cannot be directly re-charged to tenants due to restrictions imposed by the Tenant Fees Act 2019. Incorporating a premium into the starting rent may not be commercially viable as increased rents are likely to be unattractive to potential tenants.



Additional regulation

The Act introduces:

1. a new Private Rented Sector Database, which all private landlords will be required to join and to register each of their properties – notably, landlords will not be able to obtain possession orders without being registered.
2. a new Private Rented Sector Ombudsman, which will receive and resolve tenant complaints. All private landlords will be required to join (and pay a membership fee).

Civil penalties (starting at £7,000 but as high as £40,000) and criminal prosecutions may be imposed for action taken by the Ombudsman, or for offences such as providing fraudulent information to the database.

As well as being an obvious administrative burden with consequences for non-compliance, the Ombudsman is tenant-focused, with no source for due diligence for landlords or for redress against misbehaving tenants.

Separately, the Act also amends the Housing Act 2004 to provide for regulations setting minimum quality requirements for private rented properties (the “Decent Homes Standard”).

These three schemes will be introduced in Phase 2 of the implementation of the Act, from late 2026 onwards, so there will be a ‘lead in’ time before the obligations become mandatory.



Rent review

From 1 May 2026, the Act prohibits landlords from increasing the rent, even to market value, without using the procedure under section 13 of the 1988 Act. Any contractual rent review clause will be void.

The section 13 procedure requires the landlord to serve a specific form of notice, giving two months' notice. This rent review can only be carried out once a year.

Tenants will be able to challenge rent increases or the initial level of rent via application to the First-tier Tribunal.

Whilst the FTT is given jurisdiction to assess and determine the level of market rent, it does not have jurisdiction to make a costs order or to backdate the new level of rent. Instead, the new – higher – rent will only be payable from the date the claim concludes.

However, in response to concerns about how this may remove the disincentive for tenants to challenge rent, the Secretary of State has the power to make additional regulations to amend the effective date for the new rent. Landlords will need to ensure that they have good evidence for any increase – and also that they keep that evidence updated as any claim progresses.

Updated and new grounds for possession

The key reform under the Act is the removal of s.21 'no fault' evictions, where a landlord could serve notice requiring possession without needing a reason or "ground".

Landlords will instead need to rely on the s.8 regime, which (if the tenant does not leave) requires them to go to court prove that a ground is made out in order to obtain an order for possession. This may obviously result in a longer period before possession can be obtained, if at all.

We set out the below mandatory grounds under s.8, where (if proved) the court must order possession. Please note that the current grounds set out within the Housing Act will still be available.

GROUND	NOTICE PERIOD	COMMENTS
1: Owner occupation (amended ground)	Four months (increased from two months)	The landlord requires the property as their only home, or only home of specified close family members (including spouse/civil partner, parents, children, grandparents, grandchildren or siblings and those of their spouse or civil partner). Where there are joint landlords, references to the landlord are to be read as reference to at least one of those joint landlords. The tenancy must have existed for at least twelve months at the time of service of any notice.
1A: Landlord to sell property (new ground)	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: <ul style="list-style-type: none"> the assured tenancy on which the residential property is let is not that of an agricultural tenancy. at the time of service of any notice, the tenancy must have existed for at least twelve months, or notice of a compulsory acquisition in relation to the residential property has been given and the landlord intends to sell their interest to the acquiring authority, who intend to acquire it. 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.

GROUND	NOTICE PERIOD	COMMENTS
2: Repossession by the landlord's lender (amended ground)	Four months (increased from two months)	No longer necessary for the mortgage to have been granted before the beginning of the tenancy, or for prior notice to have been given to the tenant.
3: Holiday let	No longer available	This section is to be repealed.
4: Student accommodation (amended ground)	Two weeks	Certain educational establishments (as specified in secondary legislation, but typically providers of purpose-built student accommodation) can serve notice where, in the twelve months before the start of the tenancy, the property was used to house students.
4A: Student let (new ground)	Four months, ending 1 June-30 September	Where the property is let as an HMO to full-time students who meet a particular test, landlords can recover possession at the end of the academic year so long as the new tenancy is to full-time students. A warning notice must be given before the tenancy is entered into (or within 28 days of the date the tenancy becomes an assured tenancy) and the agreement must be entered not earlier than six months before the students can take up occupation. Note that full time students in smaller flats or houses will not be subject to this ground.
6: Property required for redevelopment (amended ground)	Four months	The landlord is seeking possession to demolish or substantially redevelop, which cannot be done with the tenant in situ. Under the amended ground, certain conditions apply, notably that the tenancy must have existed for at least six months at the time of service of any notice.
6A: Possession to allow compliance with enforcement action (new ground)	Four months	Where any of the following have occurred (in summary, where the landlord is subject to enforcement action): <ul style="list-style-type: none"> letting the property causes the landlord to breach or would breach if the property continues to be let, a banning order under section 16 of the Housing and Planning Act 2016. an improvement notice under section 11 or 12 of the Housing Act 2004 has been served, which specifies that the property requires remedial action and specifies overcrowding as the deficiency which gives rise to the hazard for which remedial action must be taken. a prohibition order under section 20 or 21 of the Housing Act 2004, which prohibits the use of any part of the property or the common parts for purposes that are incompatible with continued use by the tenant. the property is a HMO which is required to be licenced under s.61 of the Housing Act 2004 and the local authority refused to grant a licence or the licence has been revoked. the property is required to be licenced under s.85 of the Housing Act 2004 and the local authority refused to grant a licence or the licence has been revoked.
7A: Antisocial behaviour (no change)	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, and anti-social behaviour offence or has been found in breach of an anti-social behaviour injunction.
7B: Tenant does not have a right to rent (no change)	Two weeks	Available where certain conditions are met such as the tenant being disqualified from occupying the property due to their immigration status.

GROUND	NOTICE PERIOD	COMMENTS
8: Serious rent arrears (amended ground)	Four weeks (increased from two weeks)	<p>Where possession is sought on basis of rental arrears and where arrears:</p> <ul style="list-style-type: none"> • total at least three months' worth of rent (where rent is paid monthly); or, • more than 13 weeks' worth of rent (where rent is paid weekly). <p>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 had not yet received the payment of that award is to be ignored.</p> <p>Note that there are also discretionary grounds relating to any or persistent rent arrears, which may be pleaded in the alternative.</p>





Possession lists

You may already be aware that if a tenant of a residential property does not vacate in accordance with a notice, a landlord is required to obtain a possession order and, if needs be, to enforce that order by way of obtaining a warrant for execution by a bailiff.

Landlords are currently facing average delays of around 30 weeks to secure possession orders – even in undefended cases – with timescales often longer in London. These delays are expected to worsen as a surge in claims is likely before proposed legislative changes take effect, further straining an already overstretched court system.

As all grounds under the new regime are fault-based, claims may be more frequently defended, even on weak grounds, leading to further delays.

The Government has stated that they will support the justice system with more funding, to include the provision of a new digital end to end possession service in the county courts from 2026 and an alternative body to the First-tier Tribunal to deal with rent reviews.

Next steps

These changes are significant, and landlords have an opportunity now to review their rental portfolios and prepare for these changes and, if by way of risk management, seek possession of properties now under no fault grounds should they meet the criteria.

Shoosmiths has a dedicated residential landlord and tenant team that can help you with a review and due diligence exercises now or advise on a case-by-case basis and issue any notices and possession claims required.



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This information is for educational purposes only and does not constitute legal advice. It is recommended that specific professional advice is sought before acting on any of the information given.