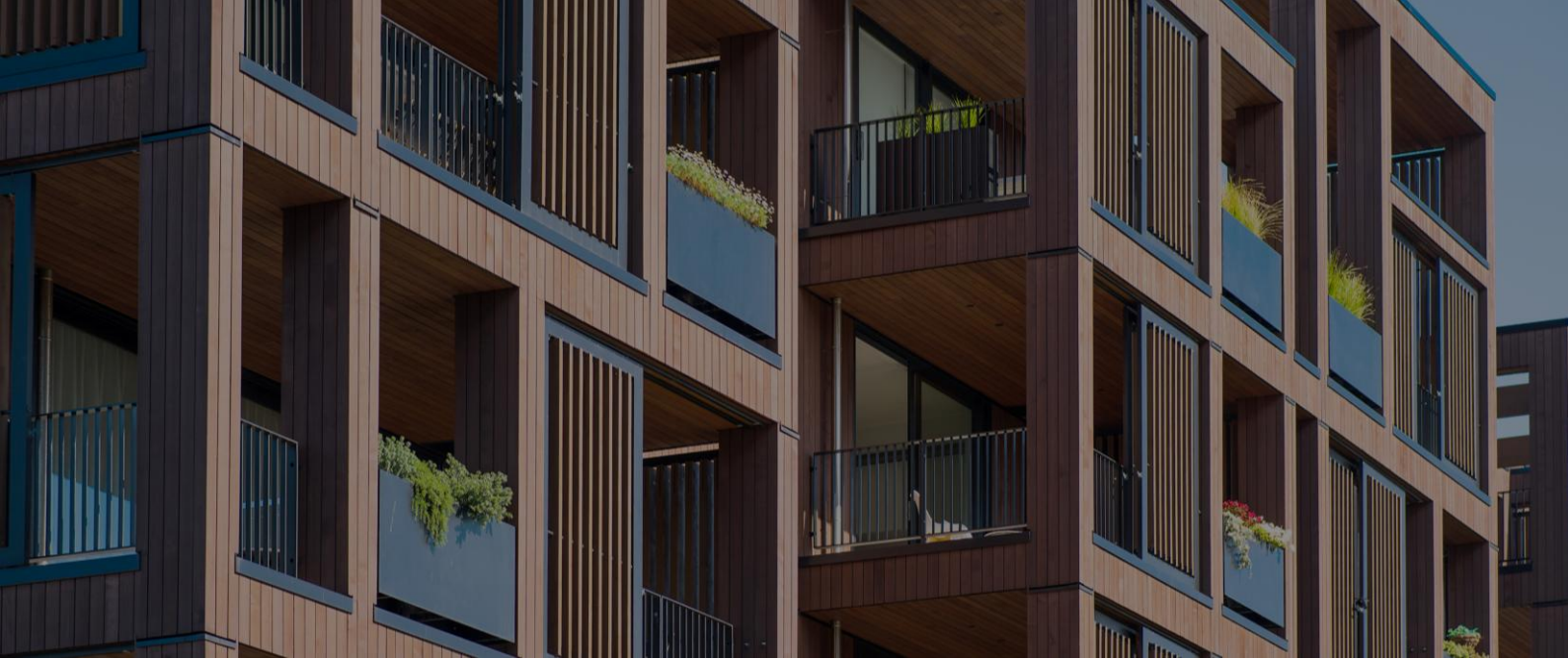


SHOOSMITHS

An occupier's guide to the Renters' Rights Act 2025

REAL ESTATE

FOR
WHAT
MATTERS



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.

Whilst the changes do not directly affect commercial leases, the Act restricts landlords' ability to serve notice to end residential tenancies. Awareness of the Act is therefore key for occupier landlords and headlease tenants of mixed-use premises.

Forward planning will be particularly crucial for business planning in relation to break clauses and any attached conditions, as well as in respect of yielding up at the end of your own commercial lease term.

The Act also standardises the rent review process for residential tenancies, banning landlords from seeking to increase rents any sooner than 52 weeks after the last review and increasing the risk of challenge by the tenant.



SIMON FOSTER
PARTNER

+44 (0)3700 868 786
simon.foster@shoosmiths.com

You should assess now whether your company (under the terms of any of its own leases) is the immediate landlord of any residential occupiers.

It will be vital to keep on top of comparative open market rental levels in order to serve notice of any proposed increase as soon as possible, to avoid any shortfall between your income and your upwards liabilities under your own lease.

Understanding your rights and the process to be taken when ending residential tenancies will be crucial before any lease event, particularly where there is a requirement to give vacant possession.

Shoosmiths has a dedicated residential landlord and tenant team who can help you review your portfolio or advise on a case by case basis, and issue any notices and possession claims required.

Obtaining possession of residential property

Following the implementation of the Act, residential leases in the private rented sector no longer have a fixed end date and the term will instead roll over indefinitely until a valid notice is served by either the landlord or tenant.

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. We set out below the grounds which are likely to be most applicable to commercial occupiers.

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: <ul style="list-style-type: none"> 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.
2ZB: Landlord's own superior lease is ending	Four months	The superior landlord's lease was for a fixed term of over 21 years but is not going to be extended, has ended or will end within 12 months.
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: <ul style="list-style-type: none"> 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. <p>Note that there are also discretionary grounds 10 and 11 (relating to any or persistent rent arrears) which may be pleaded in the alternative.</p>

What else do I need to be aware of?

Obtaining possession

The requirement to make out a ground for possession will impact both on timings, and the evidence you need to show in order to be successful.

Additionally, as you may know, if a tenant of a residential property does not vacate in accordance with a 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.

Whilst additional funding has been promised, the already overstretched system is likely to remain under pressure in the near term, which may cause further delay and result in voids and loss of rent for extended periods.

Landlords will need to factor in these costs when assessing when and how to obtain possession.

Rent review

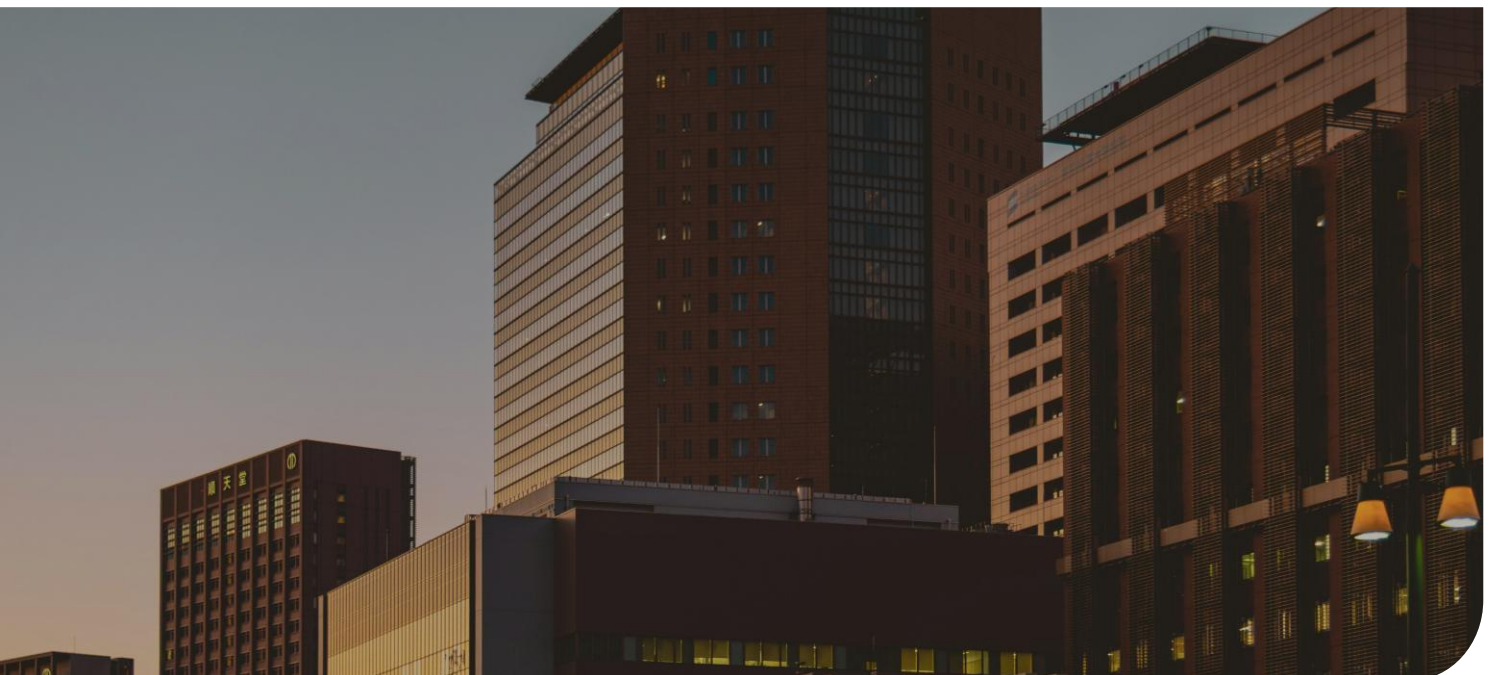
In order to increase the level of rent, landlords will need to serve two months' notice pursuant to section 13 of the HA 1988. Tenants can challenge the increase by application to the First-tier Tribunal.

Landlords should ensure that they prepare and keep evidence of comparative rental levels in order to respond to any challenge.

Additional administrative requirements

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.





REAL ESTATE

DISCLAIMER

This information is for general information 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. Please contact us for specific advice on your circumstances.

© Shoosmiths LLP 2026

**FOR
WHAT
MATTERS**