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Renters' Rights Act 2025: Reshaping the Private Rental Sector

Introduction

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The Renters' Rights Act 2025 ("the Act") fundamentally restructures the private rental landscape, with major implications for:

- Landlords
- Tenants
- Letting agents
- Property managers
- Legal and professional advisers

Core provisions are now being rolled out - understanding them is essential for risk management and strategic planning

Seminar objectives

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This session will cover:

- Which tenancies are impacted
- The key reforms introduced by the Act
- Tenant empowerment and impact on Courts and Tribunals
- Business impact and strategic considerations

Which tenancies are impacted?

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Tenancies Impacted

- ✓ Assured tenancies
- ✓ Assured shorthold tenancies (ASTs)

Key point: Most standard private residential lets fall within scope.

Tenancies Excluded

- ✗ High rent (>£100,000 per year)
- ✗ Low/minimum rent*
- ✗ Business tenancies
- ✗ Resident landlord tenancies
- ✗ Fixed term >21 years from grant**
- ✗ 7-21 year fixed-term tenancies***
- ✗ Local authority tenancies
- ✗ Service occupiers
- ✗ Agricultural tenancies (land & holdings)
- ✗ Certain student lets
- ✗ Holiday lets

*Up to 27 December 2025 (Greater London >£1,000 per month, elsewhere >£250 per month)
**Para 3D, Sch.1 HA 1988
***Up to 27 December 2025

Do not roll out standard templates on high-rent lets

Implementation Timeline

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Phase 1
1 May 2026

Core Tenancy Reforms

- Section 21 abolished
- All tenancies become Assured Periodic
- Rent increases: once per year (2 months' notice)
- Ban on >1 month rent upfront / bidding wars
- Reformed possession grounds
- Pet request duty (28 days)
- Anti-discrimination
- Stronger enforcement

Phase 2
Late 2026-2028

PRS Database & Ombudsman

- Rollout of PRS database
- Mandatory landlord registration
- Public access to database
- Redress - PRS Landlord Ombudsman

Phase 3
TBC

Decent Homes Standard

- Awaab's Law extension
- Decent Homes Standard 2035-2037
- Review of Housing Health and Safety Rating System (HHSRS)
- Minimum Energy Efficiency Standards (MEES) of EPC C by 2030

Phase 1: 1 May 2026

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Current: What You Do Now

- Serve Section 21 Notices
- Use Assured Shorthold Tenancies (ASTs)
- Unlimited initial rent requested
- Bidding wars, >1 month advance rent possible
- Rent periods > month long
- Section 8 Notices — 14 days' notice, 2 months' arrears
- Rent review clauses/Section 13
- FTT — could set rent higher and backdate
- Refuse request from tenant to keep a pet

New: From 1 May 2026

- Section 21 abolished — only Section 8
- Introduce Assured Periodic Tenancies (APTs), periods beginning date rent due — no longer than 1 month (28 days/weekly)
- Initial rent max 1 month
- Ban on bidding wars, >1 month rent upfront
- Section 8 Notices — 28 days' notice, 3 months' arrears.
- No rent review clauses, Section 13, FTT
- Must consider pet requests in 28 days
- Enforcement on anti-discrimination & RROs

Must provide: For new tenancies → written terms

Existing tenancies → Information sheet by 31 May 2026

Section 8 in practice

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Step 1
Identify the Ground

You must rely on a specific statutory ground, e.g.:

- Sale of property
- Landlord occupation
- Redevelopment
- Rent arrears

No “no-fault” route remains

Step 2
Serve a valid Section 8 Notice

- Specify the correct statutory ground(s)
- Use the prescribed form
- Notice periods vary by ground:
  - Rent arrears: Min 28 days’ notice
  - Typically 3 months’ arrears required at hearing
  - Certain grounds may require longer notice
- Properly evidence service

Step 3
Evidence is Critical

- Accurate rent schedules (if arrears)
- Chronology of events
- Copies of all notices and proof of service
- Genuine intention (e.g. sale listing, memorandum, planning documents)
- Paperwork must be in order!

Step 4
Court Scrutiny

- Greater evidential burden
- Reasonableness assessment for discretionary grounds
- Longer possession timelines

Grounds 1/1A/6

- Objective/subjective elements?
- LTA 1954 tests applied?
- S12 — compensation for misrep/concealment of material facts
- Ss. 16E/F HA 1988, no letting or advertising 12m

Section 8 is an evidence-based route — preparation is key

Deposits, guarantees and upfront rent

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- How do deposit rules interact with the new regime?
- Can you still use guarantees?
- Are you allowed to accept more than one month’s rent upfront?

Rent Deposits and TDS Scheme

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Core position unchanged

- Tenancy deposits must be protected in an authorised scheme
- Current limits (5/6 weeks) remain in force
- Prescribed information must still be served within the required timescales
- Existing deposits held in custodial or insurance-backed schemes remain unchanged (subject to any updated scheme terms)
- Deductions at the end of the tenancy still depend on evidence: check-in/out reports, photos, invoices and relevant correspondence

Practical points

- ✓ Review agreements to ensure they correctly describe how deposits are held and protected: *Lowe v Charterhouse* [2025] EWCA Civ 857
- ✓ Check for and implement any updated scheme rules
- ✓ S215 HA 2004 changes — failure to protect deposit and serve prescribed information = no possession order (Ground 7A/14 exception)
- ✓ Staff training

Guarantees, rent insurance & alternatives

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Guarantees

Traditional guarantor agreements remain lawful

To be enforceable:

- Clear, understandable language
- Properly signed and dated
- Supported by evidence the guarantor saw and understood the key tenancy terms
- S19 — exempts guarantor from rent liability after tenant death
- Changes during the tenancy may require updated guarantee documentation

Insurance, alternatives

- Rent guarantee insurance policies can still be used, but product terms must align with the new possession framework and rent increase rules
- “No-deposit” or “deposit replacement” products may be suitable (Reposit/Flatfair)
- Avoid any practices that could be seen as unfair, aggressive or misleading
- Record keeping

Upfront rent and the “1 month” rule

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General principles

- The Act restricts requiring >1 month’s rent in advance as a condition of granting a tenancy, and bans competitive “bidding wars” on rent
- Standard practice should be 1 month’s rent in advance plus any lawful, protected deposit
- Policies on upfront rent must be applied consistently and must not discriminate against protected groups

Tenant offers to pay more

- Can be accepted but must not suggest or pressure tenant into paying >1 month upfront
- Clearly document the reason for accepting and how future rent will fall due once the upfront period ends
- Refund any excess if tenancy ends early (new s14ZC HA 1988) post-tenancy start; unenforceable if they stop paying

Tenant empowerment

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Rent increases:

- S13 notice only once per year, with 2 months' notice
- Tenant encouraged to apply to FTT — no backdating, delays

Pets: if tenants request, landlords cannot unreasonably refuse

Poor practice: challenge without fear of retaliatory eviction

Rent Repayment Orders (RROs): scope widened

RROs

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- ss44 and 45 Housing and Planning Act 2016 amended
- Extended to superior landlords — reversal of *Rakusen v Jepsen* [2023] UKSC 9?
- S98 introduces new offences:
  - Redress scheme
  - PRS Database
  - Misuse of possession grounds
  - Breach of restriction on marketing/letting
  - Continuing breaches
- Maximum repayment: increased from 1 to 2 years
- Limitation period: increased from 1 to 2 years
- S51A Housing and Planning Act 2016: corporate landlord liability extension

Courts and Tribunals

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- System already under significant strain
- Judicial recruitment challenges, reliance on DDJs with impacts on efficiency
- Administrative constraints and delays
- IT infrastructure reforms have faced challenges
- 27 weeks median time from claim to repossession, significant increase in warrants
- Government believe reforms will reduce court demand
- FTT — only 264 permanent Judges and 924 fee paid, RPT 10,000 cases per year

Alternatives to APTs?

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- Tenancy v Licence — *Street v Mountford* [1985] A.C. 809
- No rent exception — *Philips & Anor v Garraway* [2026] EWCA Civ 55
- Almshouse cases — *Watts v Stewart* [2016] EWCA Civ 1247
- Property Guardian
- Company lets

Impact and strategic considerations

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Templates & Agreements	Initial Rent & Upfront Policy
✓ Review holding strategy ✓ Flag any existing agreements with rent-in-advance clauses ✓ Update templates and onboarding ✓ Confirm rent < £100k (where relevant) ✓ Correct templates used	✓ Tighten "initial rent" procedure : sign → request initial rent → start of tenancy ✓ Confirm voluntary upfront policy with legal/compliance ✓ Publish rent and payment timeline
Recordkeeping & Compliance	**Training & Governance**
✓ Ensure files are thorough and up to date ✓ Audit and compliance ✓ Confirm deposit protection processes ✓ Safety, licensing and property condition obligations ✓ Ready for PRS Database	✓ Staff training ✓ Ensure correct templates/notices are used ✓ **Do not try and look for loopholes — litigation can be costly!**

Summary

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- Possession - abolition of Section 21, change to evidence-based Section 8
- Tenant rights and regulatory oversight significantly expanded
- Shift to professionalised management standards, greater landlord scrutiny
- Compliance failures will carry greater risk
- Proactive strategy is essential to protect interests
- Early preparation will help with reducing risk of disputes and exposure to costs

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Q&A

The floor is now open for questions

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