

THE RENTER'S RIGHTS ACT 2025

Quick Reference Guide

This is the most significant reform the private rented sector has seen in a generation. From 1st May 2026, all existing Assured Shorthold Tenancies (ASTs) automatically convert to periodic tenancies, and many provisions take effect immediately. This guide summarises what every landlord needs to know.

1. NEW PERIODIC TENANCIES – THE END OF FIXED TERMS (AST)

What Changes

- All fixed terms expire on 1st May 2026 and all tenancy agreements become periodic (month-to-month).
- Fixed end dates, break clauses and renewal options in all existing agreements become irrelevant.
- All other tenancy terms will remain in effect.
- Tenants have the right to stay a minimum of 12 months from the start of their existing agreement.
- New tenancies signed after 1st May will not include a fixed term, only a commencement date.
- Once the agreement is issued at the start of a tenancy, it remains in place for the duration.

How Tenants End a Tenancy

- Tenants may give 2 months' written notice at any time after 1st May 2026.
- The notice must expire at the end of a rent period, they cannot leave partway through a month.

How Landlords/Agents End a Tenancy

- Serving a Section 21 (2 months' notice) will no longer be permitted after 1st May 2026.
- See below for further information on the new permitted possession grounds.

2. END OF SECTION 21 – NEW POSSESSION GROUNDS

Section 21 'no-fault' evictions are abolished from 1st May 2026. All possession claims must be sought using the Section 8 notice procedure. The most relevant grounds for landlords are:

Selling the Property (Ground 1A - Mandatory)

- A minimum of 4 months' notice is required, this does not need to align with the end of a rental period.
- It cannot be used in the first 12 months of a tenancy.
- If the sale does not complete, the property cannot be re-marketed for rent for 12 months after the notice period ends.
- Evidence of genuine intent to sell will be required if challenged (e.g. solicitor instruction, agent marketing).

Rent Arrears (Ground 8 - Mandatory)

- The threshold for rent arrears is increased from 2 months to 3 months if a tenant falls behind.
- The minimum notice period is extended from 2 weeks to 4 weeks once the threshold has been met.
- Rent arrears must be at the required threshold both at date of notice and at court hearing for possession to be granted.

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Landlord or Family Moving In (Ground 1)

- A minimum of 4 months' notice is required, this also does not need to align with the end of a rental period.
- This also cannot be used in the first 12 months of a tenancy.
- If the owner or the family member does not move in, the property cannot be re-let for 12 months.
- Local councils can issue fines for misuse of this ground from £7,000-£40,000 for repeat offences.
- A tenant can also apply for a repayment order for up to 24 months' rent for misuse of Ground 1.

Other Grounds For Eviction

- **Anti-social behaviour:** Notice can be served immediately. Severe breaches or criminal behaviour carry mandatory possession orders, nuisance or annoyance carry discretionary possession orders.
- **Property deterioration:** 2 weeks' notice.
- **Persistent late rent:** 4 weeks' notice.
- **Breach of tenancy:** 2 weeks' notice.

PRS Database Requirement

Landlords must be registered on the new Private Rented Sector Database, once live, to use most possession grounds. Failure to register will prevent issue of a possession order.

Example Timeline — Serving Notice to Sell (Ground 1A)

STEP 1 SERVE SECTION 8 NOTICE	STEP 2 SECTION 8 NOTICE EXPIRES	STEP 3 CAN RE-LET
Earliest: Day 366	4 Months Later	12 Months After Step 2
Ground 1A (4 months' notice period)	The tenants must vacate	If the sale did not proceed

3. RENT INCREASES

The New Process

- Rent can still be increased once every 12 months.
- The minimum notice required for each rent increase is extended from 1 month to 2 months.
- All pre-agreed rent increase and rent review clauses in existing agreements are no longer valid.
- All increases must now use the statutory Section 13 Form 4A notice procedure.
- At Connect Abode, we already use the Section 13 process as standard and will be in touch in advance of any potential rent increase dates.

Tribunal Challenges

- Tenants may challenge a proposed rent increase at the First-tier Tribunal if they believe it exceeds the market rate.
- The Tribunal can no longer award a rent higher than the one proposed by the landlord.
- The new rent applies only from the date of the Tribunal decision and will not be backdated.
- Tenants can also challenge rents within the first 6 months of a new tenancy if they believe the asking rent was above the market rate.

Example Timeline — Serving Notice to Increase the Rent (Section 13)

STEP 1 SERVE SECTION 13	STEP 2 SECTION 13 EXPIRES	STEP 3 INCREASED RENT
Earliest: End of the 10th Month	2 Months Later	After 12 Months
To increase the rent after 12m	The rent can be increased	Takes effect on the 13th month



4. RENT IN ADVANCE

New Tenancies

- Landlords and agents cannot request or accept more than one month's rent in advance.
- Quarterly, six monthly or annual rent payments will not be permitted under any new tenancy.
- No rent in advance can be requested or paid until the tenancy agreement is signed.
- All Holding Deposit payments will go towards the Security Deposit on application for a new tenancy.

Existing Tenancies

- Where the rent is currently paid quarterly, half-yearly or annually in advance and signed prior to 1st May 2026, this payment structure may continue.
- The tenancy "period" will revert to monthly for notices and rent reviews but the landlord may continue to collect advance rent payments.
- Rent already paid in advance before the 1st May 2026 also does not need to be refunded.
- Rent guarantee insurance products may replace rent in advance to satisfy affordability checks.

5. PETS

The New Default

- For all new tenancies, it will be an implied term that tenants may keep a pet.
- 'No pets' clauses in existing agreements become invalid on 1st May 2026 unless restricted in the headlease (proof may be required).
- Landlords cannot unreasonably withhold consent.
- Tenants are not required to take out pet damage insurance, though their deposit remains available for any damage caused.

When You Can Refuse

- Reasonable grounds e.g. a landlord with severe allergies, or pets that are too large or too many to accommodate in a small property.
- Where a head lease, freeholder or superior landlord prohibits and refuses consent, provided the landlord has taken reasonable steps to obtain consent.
- Marketing can still indicate where pets are not permitted (proof may be required).
- Tenants may challenge unfair refusals via the Private Rental Sector (PRS) Ombudsman.

6. RENTAL BIDDING

From the 1st May 2026, it will be illegal for landlords or agents to solicit, encourage or accept offers above the published asking rent. A fixed asking price must be advertised, and no competitive bidding or "best and final" offer process may be used. Fines of up to £7,000 apply for first offences and could be raised to £40,000 for repeat or multiple offences.

Potential tenants can still be assessed and accepted or rejected on the usual criteria (affordability, move in dates etc.) This moves the process towards the first suitable candidate being chosen, rather than a bidding system for the highest price offer.



7. DISCRIMINATION

It will be illegal to refuse prospective tenants solely on the basis that they have children or receive housing benefits.

Mortgage and head lease restrictions to the contrary will be void. Landlords must assess applicants individually, based on affordability and suitability. The only acceptable basis for refusing a family is where the property would be overcrowded under minimum sleeping space requirements.

8. ENFORCEMENT & PENALTIES

Civil Penalties

- **£7,000:** First or minor offences, e.g. failure to register on PRS Database, misuse of possession grounds, or rental bidding.
- **£40,000:** Serious, repeated or continued noncompliance.
- Criminal prosecution remains an option for the most serious breaches.
- Local councils are now required to report on enforcement activity and have enhanced powers of investigation.

Rent Repayment Orders (RROs)

- Maximum penalty doubled from 12 to 24 months' rent.
- Now extended to superior landlords and company directors.
- Repeat offenders must pay the maximum amount.
- The time limit to apply for an RRO has been extended from 12 to 24 months after the offence.
- RROs now apply to a wider range of offences under the new Act.

9. COMING IN LATER

The following measures are part of the Act but will not come into force on 1st May 2026. Precise dates are to be confirmed by the government for future phases.

Private Rented Sector (PRS) Database

- All landlords must register themselves and their properties on a new public database before marketing for rent.
- Registration details must appear on all portal listings.
- Agents cannot market an unregistered property.
- Failure to register permits the use of most possession grounds (all apart from anti-social behaviour).

Decent Homes Standard

- Currently this applies to the social housing sector only. It will be extended to the private rented sector, setting new minimum quality benchmarks.
- Local councils will have enforcement powers including improvement notices and civil penalties.

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PRS Landlord Ombudsman

- Mandatory membership for all private landlords, including those using a managing agent.
- Provides free, impartial, binding resolution for tenant complaints.
- Can require landlords to apologise, take remedial action or pay compensation.

Awaab's Law

- Private landlords will be required to address certain hazards (such as damp and mould) within specified timeframes.
- Failure to comply gives tenants a route to court for breach of contract.

10. WHAT IS NOT COVERED

The legislation applies to all current assured shorthold tenancies (ASTs) and assured tenancies under the Housing Act 1988. The following are not subject to most provisions of this Act:

- Higher Value Tenancies with a rent above £100,000 per annum.
- Company Lets — governed by contract and common law.

Note: These tenancies may still be subject to some secondary legislation provisions, including the PRS Database and PRS Landlord Ombudsman requirements.

IN OTHER NEWS

EPC Requirements - Future

- All rental properties will require an EPC rating of C or above by 2030 (extended from 2028 deadline).
- The rating system will change giving more specific energy performance metrics by 1st October 2029.
- Landlords must spend up to £10,000 to reach a C rating before an exemption can be applied.
- Certificates remain valid for 10 years.

Making Tax Digital - Now

- Making Tax Digital has replaced the annual Self Assessment tax return with quarterly digital submissions to HMRC.
- Landlords earning over £50,000 gross must comply, followed by £30,000 in 2027 and £20,000 in 2028.
- All records must be kept digitally using HMRC compatible software, paper records will no longer be acceptable.
- A points-based penalty system applies for missed deadlines (no penalties in the first 12 months)

Remember, we are here to guide you through every aspect of these changes. For a personalised review of how the reforms affect you, contact us on the usual numbers below.

