

Bulletin: Landmark changes to Private Rented Sector

PROPERTY MANAGEMENT

2025

The Renters' Rights Act (RRA) was a manifesto commitment from the Labour Government. Following Royal Assent, it will start to come into effect later this year.

This bulletin provides a brief overview of the impact of this new legislation for Private Rented Sector (PRS) landlords.

Who will the Act affect?

The Act will affect nearly 11 million private renters and their 2.3 million landlords in England and Wales. It applies to all Assured Shorthold Tenancies (ASTs), including both new and existing tenancies. It will not impact company lets, rents over £100,000 per year or properties that are not the tenant's primary home.

When will the new requirements take effect?

The timing is not yet entirely clear.

The Government has only confirmed that the enforcement related sections of the Act will come into force on 27th December 2025.

The timing of other changes is still to be confirmed.



What's changing from December 2025?

The first sections of the Act to be implemented relate to enforcement and investigations, allowing for more evidence gathering on landlords. This is designed to help Local Housing Authorities (LHAs) better understand their housing stock, by;

1. Requesting information - LHAs can request information from anyone who has acted as a landlord, agent, licensor, marketer, or held an interest in the property in the past 12 months.
2. Entry to business premises - LHAs can enter business premises, including those of an agent or landlord with 24 hours' notice.
3. Entry to residential premises - LHAs can enter rented homes to investigate breaches with 24 hours' notice.
4. Client Money Protection compliance - LHAs can investigate whether agents belong to a Client Money Protection (CMP) scheme and must report any enforcement action to the Secretary of State for Housing.

This enhanced governance regime is designed to identify and tackle 'rogue' landlords, but it also represents a significant reputational risk for institutional landlords who fail to meet the new requirements.



What's changing after December 2025?

Other sections of the Act, including the majority of landmark changes, do not have implementation dates yet but are currently forecast for "mid 2026". **The Government has announced that Section 21s apply to both new and existing tenancies and will come into force on 1 May 2026.**

Here's a brief summary of the key points:

Introduction of Open-Ended Tenancies

Fixed-term tenancies will be replaced with open-ended agreements, giving tenants flexibility to remain in the property for as long as they fulfil their rental obligations. Tenants can leave by providing two months' notice.

Once this provision takes effect, all tenancies will automatically transition to assured periodic tenancies (rolling contracts). The legislation will be retrospective by altering the terms of existing tenancies, though other standard clauses in tenancy agreements that existed before will remain valid.

This is a landmark change in renters rights in the UK and brings it in line with other countries such as France, Denmark and Germany.

- Implementation date: to be confirmed

Abolition of Section 21 "No Fault" Evictions

Section 21 evictions will be abolished. Landlords will only be able to terminate a tenancy by issuing a Section 8 notice, which must specify one or more valid grounds for possession. The required notice period will vary depending on the grounds cited.

The grounds for terminating any tenancy will be similar to those under Section 8 (Housing Act 1988) and relate to issues such as anti-social behaviour and rent arrears but with a further reliance on documentation on rehoming where prescribed.

Landlords and their managing agents will need to manage their lettings more proactively to be able to terminate tenancies when needed.

- Implementation date: 1 May 2026

Rent Increase Requirements

Rent increases will be limited to once per year and must be initiated through a Section 13 notice, with tenants receiving at least two months' notice and must be the market rate for the area.

Tenants have the right to challenge unfair rent increases by appealing to the First Tier Tribunal.

There is a risk of this process being delayed through the tenant's right to appeal, with increases in rent harder to achieve than purely through re-letting on the open market.

Forward demanding rent and rent bidding

At present, competing tenants can offer higher rents or pay more rent up front to secure a tenancy. Under the RRA, a landlord may request only one month's rent after a tenancy agreement has been signed but before the tenancy begins. Tenants may choose to pay more than one month's rent; but no formal agreement can be made to require this.

Landlords and letting agents must disclose the advertised rent for the property. Tenants may offer up to this amount but cannot be encouraged to bid above it.

The current market process allowing competing tenants to bid for tenancies will be removed.

- Implementation date: to be confirmed

Ban on discriminating against families and benefit recipients

Landlords will be prohibited from discriminating against prospective tenants on the grounds that they will have children living at or frequently visiting the property or because they are currently or may receive benefits.

Landlords will retain the right to conduct affordability checks and can decline a tenancy if the applicant's income does not meet the required criteria. In certain cases, landlords may refuse to rent to a household with children, for instance if their presence would result in the property being classified as legally overcrowded.

It will be important for landlords and their agents to have documented policies and processes.

- Implementation date: to be confirmed

Awaab's Law

Awaab's law was introduced in 2023 in the social housing sector, setting minimum standards for responding to and remedying instances of mould.

The Act now extends these obligations to the private rented sector. Tenants will be able to take action against landlords via the Private Rented Section Landlord Ombudsman (Landlord Redress Scheme).

Response times for mould and leaks should be documented to ensure that they're dealt with quickly and any claims defended.

- Implementation date: to be confirmed

Decent Homes Standard extended to private rentals

Private landlords are now required to meet the same housing standards as those in the social housing sector, ensuring properties are safe, warm, and in good repair.

This is the Decent Homes Standard and is currently under consultation to be updated.

- Implementation date: to be confirmed

Pet ownership rights

Tenants will be able to request permission to keep pets, which landlords cannot unreasonably refuse. However, valid reasons for refusal may include requirements under a Head Lease or if the tenant refuses to obtain insurance to cover potential pet-related damage.

If a tenant is denied a tenancy, they can escalate the matter to the Private Rented Sector Ombudsman or take the case to court. Documented policies and processes for managing these applications and a clear audit trail will be important to defend any claims.

- Implementation date: to be confirmed



How will compliance be managed?

Private Rented Sector Landlord Ombudsman

The Act will establish a new Landlord Redress Scheme, administered by a newly created Private Rented Sector Landlord Ombudsman.

This service is designed to resolve disputes between landlords and tenants without court involvement.

All landlords and their managing agents will be required to register with this ombudsman.

Details of how to register with the Ombudsman are yet to be published.

This service will be free for tenants to use, but the Government has indicated that each private rented sector unit will attract a fee for the Ombudsman.

Failure to register and adhere to the rulings can result in civil penalties of up to £7,000 for initial breaches and up to £40,000 or criminal prosecution for continuing or repeated breaches.

Tenants will be able to seek rent repayment orders against a landlord who persistently fail to join the Ombudsman service.



National Database

A new Private Rental Scheme Database will be introduced to register landlords and their properties.

The database aims to improve transparency and accountability in the rental market by identifying rogue landlords and tracking compliance with legal requirements.

All landlords must register their properties on the database, with failure to do so resulting in penalties. The database will also include information about enforcement actions taken against landlords who breach the law.

We expect a grace period to ensure all landlords have time to register and will update clients with details once requirements and timings are announced.

Want to learn more?

The exact timing of when each of the above requirements comes into force is yet to be confirmed, but we will continue to keep you advised as further details are released.



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