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Landlord guide to Renters' Rights Act



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What is the Renters' Rights Act?

- The Renters' Rights Act is a major reform of the Private Rented Sector in England, aimed at improving security for tenants while ensuring fairness and clarity for landlords.
- The Bill began its journey through Parliament in September 2024; it's nearing completion after extensive debate between the House of Commons and the House of Lords.

 It is now awaiting the Kings signature Royal Assent imminently and be implemented from Spring 2026. Landlords are advised to prepare now as exact timings may change.
- This Act continues two decades of major legislative change, reflecting the sector's growing professionalism and the need for strict compliance.

Tenants are increasingly well-informed:

In August 2025, Rightmove surveyed 286 UK renters about rental law changes.
 Many respondents were aware of the upcoming reforms, with the most widely recognised aspect being the new rules governing when and how landlords can ask tenants to leave. As tenants become increasingly informed, it is essential that landlords do the same — or choose a qualified letting agent to manage their property on their behalf.

77%

able to successfully identify at least 1 of the proposed changes**

1 in 2

aware changes will make it easier to rent with pets**

Sources: **Rightmove Living Room research in Aug 2025, conducted with 286 UK renters * Rightmove Data Services

It's more important than ever to find the right tenant:



3 in 4 renters find their home on Rightmove*

Compliance isn't optional, and the cost of getting it wrong is huge. The incoming Renters' Rights Act will affect every landlord, and with so many changes on the horizon, the stakes have never been higher. Its crucial landlords educate themselves and prepare now.





Marketing & Rent Bidding

- All adverts must include a specific rental sum; if there is no advert, a written offer must specify the rental amount.
- Tenants can bid up to, but not over, the advertised rent; no offers above the advertised value can be accepted.
- Care should be taken in accepting very high bids as tenants can request rent reductions within the first 6 months of tenancy if rent appears above market rate.

Database & Redress

- Landlords will be required to join the PRS Database and a Redress Scheme before marketing their property. The rollout of the Database and Redress Scheme is expected to occur later than other elements of the Act, as the details are still being finalised.
- Adverts must include both the landlord and property database identification numbers.

Pets

- Ads can say "unavailable for pets", however, due to the Equality Act they must allow service animals for disabled tenants.
- Landlords cannot unreasonably refuse a tenant's request to keep a pet once the tenancy has begun.
- The new Act will not include mandatory pet insurance. The government did consider allowing landlords to charge a higher deposit (3 weeks) for tenants with pets, but this proposal was also rejected.

Discrimination

Landlords cannot refuse tenants due to them having children or receiving state benefits. Refusal is only allowed if:

- An existing (pre-RRA, non-renewed) insurance policy forbids it.
- It's needed for a fair reason, e.g. to prevent overcrowding.
- The tenant's income is too low to cover rent.
- Any other ban in an insurance, mortgage, or lease policy is invalid.

Tenancy Start

- All tenancies are assured periodic from the start meaning they are indefinite until valid notice. Fixed terms, break clauses, and notices to quit are banned. Existing tenancies will be automatically transferred to periodic once their fixed term ends.
- Landlords must give tenants a written statement outlining the tenancy terms in the form specific by the government.
- When the RRA is implemented, existing tenants need to be given a
 government provided notice of what is changing within one month. But
 their tenancy agreements will not need to be replaced.
- Landlords can only take a deposit (not rental payments) in advance of the agreement being signed and executed.

The NRLA has repeatedly warned the government that the new rent increase rules could encourage unfounded rent challenges, leading to delays in fair rent increases and potentially overwhelming tribunals with excessive claims. In response to this lobbying, the government has confirmed its intention to establish an independent body to provide swift initial rent assessments.





Rent

- Rent periods can only be monthly or less; in the first month only one months rent in advance can be accepted. In subsequent months tenants can voluntarily pay more but cannot be forced to do so.
- Tenancies that pre-date the RRA can still rely on rent in advance clauses.
- Rent can only be increased annually using section 13, giving at least 2 months' notice. Any other rent increase clauses/agreements will become invalid.
- After a section 13 notice, the landlord and tenant can mutually settle on a lower amount via a written agreement. If not, the rent rises automatically unless the tenant challenges it at a First-Tier Tribunal (FTT)- which is free to do.
- The FTT sets rent based on similar properties. Increases apply from the next rent due date after the decision, with an extra 2-month delay possible if tenants are deemed to be facing hardship.

Decent Homes Standard

- The Decent Homes Standard is added to the Housing Health and Safety Rating System (HHSRS) meaning local authorities can immediately issue fines for serious failings.
- Awaab's Law will be added to the private rental sector requiring landlords to investigate damp and other serious hazards promptly. If landlords fail to fix serious issues within set deadlines, tenants can claim compensation in addition to any damages for disrepair.

Pets (after tenancy starts)

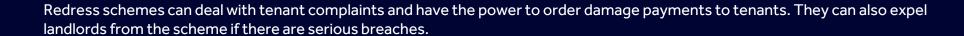
• Pet requests must be answered in 28 days, they cannot be unreasonably refused. A superior landlord prohibiting pets and refusing to give permission is deemed a reasonable basis for the landlord to refuse.

Termination

- Tenants: 2 months' notice ending on rent day; one joint tenant's notice ends tenancy for all.
- Landlords: only via section 8 notice on valid grounds; different grounds have different corresponding notice periods. Defective or unfounded notices are an offence.
- Access the summary of repossession grounds with their notice periods <u>here.</u>

Enforcement

- Local authorities are obliged to enforce new offences and penalties under the RRA. Any offence under the RRA can be dealt with by way of a civil penalty. Most penalties are £7,000 for a first offence, rising to £40,000 for repeat offending.
- Tenants may apply to the FTT for a Rent Repayment Order of up to 24 months of rent.





Selecting the right letting agent is crucial

When deciding on a letting agent we recommend you consider the following as part of their service:

- Are they a member of a Redress scheme?
- Do they have Client Money Protection?
- Do they have professional indemnity insurance?
- What do their Terms of Business look like?
- Have they partnered with professional guarantors they can recommend to tenants who fail referencing?
- Do they offer rent guarantee insurance as part of their full management package? (45% of landlords have experienced rent arrears)*
- Do they provide free legal protection for First Tier Tribunal cases?

Remember – cheap can turn out to be expensive in the long run!

There is still plenty of opportunity for landlords

- On average there are 11 applicants competing per rental property*.
- Demand still outstrips supply meaning landlords will continue to have a choice of tenants.
- Average annual rental yield is 6.3% in Q2 of 2025, with the North-East achieving 8.1%*.
- Annual change in rental yields are up year-on-year in all UK regions.
- Opportunities for landlords to add to their portfolio from other landlords selling.

1 in 3 £400

Landlords are planning to exit the market

Average monthly rent for a new tenant has risen £400 since 2020

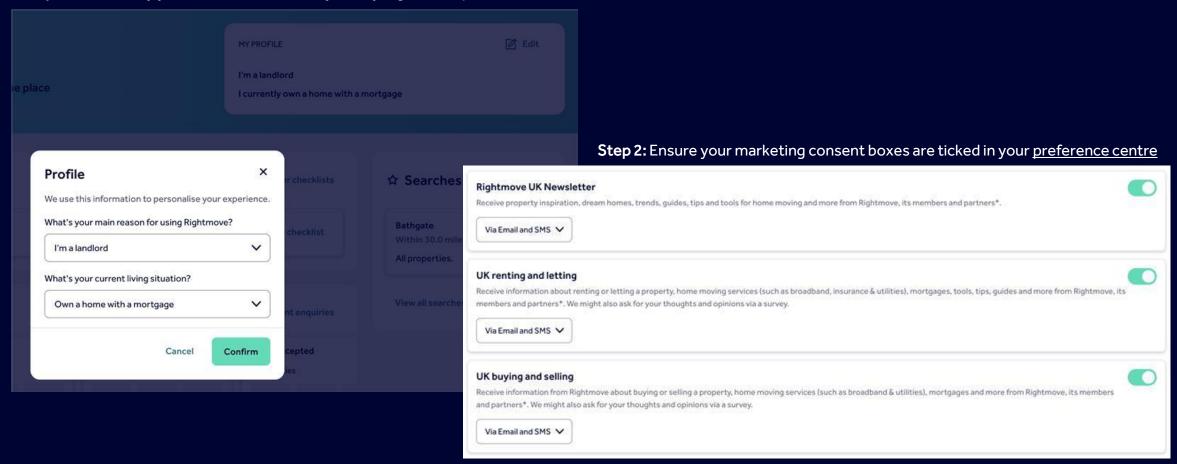
believe there are more applicants per property than the last time they were in the market

*Statistics based on Rightmove Letting In Focus Report 2025



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