

# Renters' Rights Act 2025

A Client Briefing from Paris Smith LLP

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Everything landlords, tenants, letting agents and property investors need to know about the new law, written by our specialist Property Litigation and Commercial Property teams.

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## ARTICLE 01

# Guide to the Renters' Rights Act 2025 What Landlords and Tenants Need to Know

Nicola Davies, Partner – Dispute Resolution

The Renters' Rights Bill received Royal Assent on 27 October 2025 and is now the Renters' Rights Act 2025. Phase 1 commenced on 1 May 2026, with Phase 2 following in late 2026 and Phase 3 dates to be confirmed. This guide summarises the key changes in order of implementation.

## 1. Single, Periodic Tenancies Replace Fixed-Term ASTs

Phase 1 – From 1 May 2026

- All existing Assured Shorthold Tenancies convert to periodic tenancies. No further renewals; tenancies roll on until the tenant gives two months' notice or the landlord obtains possession via a valid Section 8 notice.
- One joint tenant can end the tenancy for all – this will impact student lets not in purpose-built accommodation.

## 2. New Rent Rules

Phase 1 – From 1 May 2026

- Payment frequency: All rental periods must not exceed one month. Quarterly and six-monthly payments are no longer permitted.
- Advance rent: Landlords must not accept more than one month's rent in advance, and only during the permitted pre-tenancy period (from signing to the day before the tenancy starts).
- Rent increases: Rent review clauses are void. Increases must be made via the updated Section 13 notice (Form 4), once per year, with two months' notice. No rent caps apply, but tenants may challenge above-market increases at the First-tier Tribunal.
- Advertising: Landlords and agents must state the proposed rent and must not accept offers above it. Applicants may offer less.

## 3. Possession Notices and Claims

Phase 1 – From 1 May 2026

- Abolition of Section 21: No new Section 21 evictions after the commencement date. Legacy notices served before 1 May 2026 have a limited window (expected around three months) to issue proceedings.
- Key Section 8 changes: Ground 1 extended to more family members; new Ground 1A for landlord sale; Ground 2 (mortgage sale) updated; new Ground 4A for student HMOs; arrears threshold under Ground 8 raised from two to three months; notice periods extended for Grounds 10, 11.
- Pre-notice requirements: Landlords must have protected the deposit, and (from Phase 2) be registered on the Private Rented Sector Database before obtaining a possession order.

## 4. Tenants' Right to Request Pets

Phase 1 – From 1 May 2026

- Landlords must deal reasonably with pet requests and may only refuse for a good reason (e.g., superior lease ban, severe allergies, property unsuitability).
- No pet fees or additional pet deposits. Landlords may charge a higher rent where pets are permitted.

## 5. No Discrimination Against Benefits Claimants

Phase 1 – From 1 May 2026

- Landlords cannot refuse applicants solely due to receipt of Universal Credit. Decisions must rest on objective criteria such as affordability or failed credit checks.

## 6. New Landlord Database and Ombudsman Scheme

Phase 2 – From late 2026

- A new Private Rented Sector (PRS) national database will require landlords to register themselves and each let property, including payment of an annual fee.
- A new Ombudsman Scheme will also be introduced, with landlord registration required by 2028. Tenants may seek rent repayment orders against landlords who fail to join.

## 7. New Regulations on Housing Standards

Phase 3 – Dates to be confirmed

- A new Decent Homes Standard (DHS) will apply to all landlords and properties (proposed implementation 2035 or 2037).
- Awaab's Law will extend to the private sector, requiring landlords to address hazards such as damp and mould within specified timeframes.
- Consultations are underway that would require all rented properties to meet EPC level C by 2030.

## 8. Penalties and Re-Letting Restrictions

- Civil penalties: up to £7,000 for a first offence; up to £40,000 for continued or repeated breaches.
- Rent repayment orders: up to two years' rent, applied for at the First-tier Tribunal.
- If possession is recovered for personal or family use, the property cannot be re-let or advertised for up to 12 months.

## Action Plan Checklist for Landlords and Agents

1. Review all tenancy templates: remove fixed terms and rent review clauses; adopt periodic terms; add Section 13 process; update pet policy.
2. Consider whether to rely on a Section 21 notice before the commencement date. Review amended Section 8 grounds if not.
3. Update advertising, affordability policies and tenancy terms to remove any discrimination against tenants with children or on benefits.
4. Prepare a pet request policy and verify superior lease constraints.

5. Conduct a property standards audit and set repair frameworks for Awaab's Law compliance.
6. Assemble data for the landlord database and budget for Ombudsman Scheme registration.
7. Train staff and agents on new rules and penalties; implement rigorous record-keeping.

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This article provides a general overview of legal developments current at the time of publication. It does not constitute legal advice and should not be relied upon as such. Legal rules change over time and depend on specific facts. Please contact us for advice on your particular situation.

## ARTICLE 02

# Renters' Rights Act 2025 – FAQs

Lisa White, Solicitor – Dispute Resolution

Our Property Litigation team answers the most common questions from landlords and tenants about the Renters' Rights Act 2025 and what the reforms mean in practice.

## Landlord FAQs

When does the Act come into effect?

The Act received Royal Assent on 27 October 2025 and is implemented in phases. Phase 1 (main reforms including abolition of Section 21, periodic tenancies, new rent rules and pets) began 1 May 2026. Phase 2 (PRS Database and Ombudsman) follows in late 2026. Phase 3 (housing standards) dates are to be confirmed.

Does the Act apply to existing tenancies?

Yes. From 1 May 2026 all existing ASTs automatically convert to assured periodic tenancies. Transitional provisions apply; Section 21 notices served before 1 May 2026 may still be relied upon for a limited period.

Can I still grant fixed-term tenancies?

No. From 1 May 2026 all new tenancies must be periodic. Remove fixed terms and rent review clauses from your tenancy templates.

What is the last date I can serve a Section 21 notice?

A valid Section 21 notice can be served up to 30 April 2026. Possession proceedings must then be started by 31 July 2026. After 1 May 2026, landlords must use amended Section 8 grounds.

Can I regain possession to sell or move back in?

Yes, subject to strict conditions. Ground 1 applies if you or a qualifying family member intend to occupy as their main home. New Ground 1A applies if you intend to sell or grant a long lease. In both cases: tenancy must have lasted at least one year; four months' notice required; property must not be re-let or advertised for up to 12 months after notice expiry.

Who qualifies as a family member under Ground 1?

The Act expands the definition to include: spouse or partner, parents, grandparents, children and grandchildren (including step-children), and siblings (including half and step-siblings).

What are the key changes to eviction grounds?

New Ground 4A for student HMOs; new Ground 6A for compliance with enforcement action; rent arrears threshold under Ground 8 raised from two to three months; longer notice periods for Grounds 10 and 11; immediate proceedings available for serious offences or ASB under Grounds 7A and 14 (subject to court safeguards).

What steps must I take before serving a possession notice?

The deposit must be protected in an authorised scheme or returned to the tenant. Once introduced in Phase 2, landlords must also be registered on the PRS Database. Failure may prevent a possession order being granted.

How often can I increase the rent?

From 1 May 2026, once per year using the statutory Section 13 notice process with at least two months' notice. Tenants may challenge increases above market rent at the First-tier Tribunal. There are no rent caps.

Are rent review clauses still valid?

No. Rent review clauses are void and unenforceable. Rent may only be increased via the Section 13 process or by agreement.

What are the new rules on rental payments?

Rent periods must not exceed one month. Landlords must not accept more than one month's rent in advance, and only during the permitted pre-tenancy period. Clauses requiring more are unenforceable.

Is rental bidding allowed?

No. Landlords and agents must advertise a fixed rent and cannot accept offers above it.

Do I have to allow pets?

Tenants have a right to request a pet. Requests may only be refused for a good reason. Landlords cannot charge pet fees or additional deposits, but may charge a higher rent.

Do landlords need to serve new tenancy agreements?

Not necessarily, but landlords should check existing terms and be aware which clauses no longer apply. All landlords must also provide tenants with the government information sheet (available on GOV.UK) by 31 May 2026.

What documents are needed for new tenancies starting on or after 1 May 2026?

A written statement setting out key tenancy terms must be provided. Gas Safety certificate, EPC (rating E or above), 'How to Rent' leaflet and deposit protection information must also still be provided.

What penalties apply for non-compliance?

Civil fines of up to £7,000 for a first offence and up to £40,000 for repeated breaches; rent repayment orders of up to two years' rent; restrictions on recovering possession; 12-month restriction on reletting in some cases; enforcement action by local authorities.

## Tenant FAQs

What happens to my current tenancy?

Your AST automatically became a periodic tenancy on 1 May 2026. It will roll on without a fixed end date until you give two months' notice or the landlord obtains a court order. Note: one joint tenant can end the tenancy for all.

Can my landlord still evict me without giving a reason?

No. Section 21 'no-fault' evictions have been abolished. Your landlord must rely on a specific legal ground and follow the correct process.

How often can my rent be increased?

Once per year, with at least two months' notice, using the statutory Section 13 process.

#### What if my landlord proposes an excessive rent increase?

You can challenge the increase at the First-tier Tribunal if it exceeds market rent. The increase will not take effect until the tribunal has decided. The tribunal cannot increase the rent beyond the landlord's proposed amount.

#### Can my landlord ask for several months' rent in advance?

No. From 1 May 2026, landlords are limited to one month's rent in advance during the permitted pre-tenancy period. Any clause requiring more is unenforceable.

#### Do I have a right to keep a pet?

You have a right to request a pet and your landlord must consider the request reasonably. They cannot charge pet fees, pet deposits or require pet insurance. Refusals may be appealable to the Ombudsman once introduced.

#### Can my landlord refuse me because I am on benefits?

No. Landlords cannot refuse applicants solely because they receive benefits. Decisions must be based on objective criteria such as affordability or credit history.

#### What if my landlord ignores serious repairs?

Stronger protections apply, including Awaab's Law requiring serious hazards (such as damp and mould) to be addressed within set timeframes. You can report issues to your local council.

#### What is a rent repayment order?

If your landlord commits certain offences, you may apply to the First-tier Tribunal for a rent repayment order requiring repayment of up to two years' rent.

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**ARTICLE 03**

# Mixed-use Property: What the Renters' Rights Act Means for Buyers and Sellers

Kerry Houston-Kypta, Partner – Commercial Property, Bournemouth

In summary: If you own, buy or sell a mixed-use property, such as a shop or office with a flat above, the Renters' Rights Act changes how you can recover possession of the residential part from 1 May 2026. Section 21 no-fault evictions are gone. Here is what that means for your transaction.

Much of the commentary on the Renters' Rights Act has focused on its impact on residential landlords and tenants. That focus risks overlooking those dealing with mixed-use properties, where the changes are equally significant: anyone buying, selling or letting a property that combines commercial use with a separate residential tenancy.

## What Has Changed?

The Act abolishes ASTs and the Section 21 'no fault' eviction process. From 1 May 2026, all new and existing residential tenancies become periodic assured tenancies. To recover possession, landlords must rely on specific grounds under an amended Section 8 of the Housing Act 1988, such as wanting to sell, wishing to move in a family member, or serious rent arrears. Each ground has its own notice requirements, thresholds and procedural steps.

Where a residential tenancy is in place and the tenant is not at fault, recovering possession has become considerably harder and slower. For a commercial property owner with a residential tenancy running alongside a commercial element, this can be an unexpected complication.

## Why Mixed-Use Properties Deserve Particular Attention

Mixed-use properties sit across the boundary between the commercial and residential regimes. Before the Act, an owner needing vacant possession could serve a Section 21 notice and recover the residential element with relative predictability. That route is now closed. This matters in several scenarios that arise regularly in commercial property transactions.

## Buying a Mixed-Use Property

If you are acquiring a mixed-use property with a residential tenancy in place, due diligence needs to go further than reviewing the tenancy agreement. You need to understand what Section 8 ground, if any, would be available to recover possession, and on what timeline. If your business plan assumes vacant possession of the whole building, take advice before exchange on whether and how that could be achieved. You should also understand what obligations attach to you as incoming landlord: new rules on rent increases, repairs under Awaab's Law, and registration requirements being phased in.

## Selling a Mixed-Use Property

Buyers and their solicitors will scrutinise the residential tenancy more carefully than previously. The inability to serve a Section 21 notice changes the risk profile of the asset. Sellers should be prepared to

provide full documentation from the outset: the tenancy agreement, deposit protection certificates, rent history, correspondence with the tenant, and condition of the residential accommodation. Sellers must also confirm they have provided tenants with the required government information sheet before 31 May 2026. Gaps in documentation will cause delays and may affect the price achieved.

## Granting a Lease of a Mixed-Use Property

If you own a mixed-use building and are considering granting a commercial lease of the whole, the position of any existing residential tenant needs to be resolved before you proceed. A commercial tenant will want clarity on whether the residential accommodation is occupied, on what terms, and what their options are. Structural questions in the lease also need careful attention: how are the commercial and residential parts defined and separated, and what obligations does the tenant take on in relation to the residential accommodation?

## Frequently Asked Questions

Does the Renters' Rights Act apply to commercial properties?

Not directly. The Act governs residential tenancies. However, if a commercial property includes a residential element let under a separate tenancy, that residential tenancy may be caught by the Act. This is particularly relevant for mixed-use properties such as a shop or office with a flat above.

Can I still recover possession of a residential flat above my commercial premises?

Yes, but the process has changed. Section 21 is no longer available. You must instead rely on a prescribed Section 8 ground, such as wanting to sell the property or serious rent arrears. Each ground has specific requirements and notice periods. Taking legal advice before serving any notice is strongly recommended.

I am buying a mixed-use property with a tenant in the flat. What should I check?

Check that the prescribed information sheet has been correctly issued; review the tenancy agreement; confirm the deposit is properly protected; check the rent history and condition of the accommodation; and take advice on what Section 8 grounds might be available to recover possession if needed.

Does the Act affect the commercial part of a mixed-use property?

No. The commercial element remains governed by commercial landlord and tenant law, including the Landlord and Tenant Act 1954 where applicable.

When did Phase 1 come into force?

1 May 2026, applying to all new and existing private sector residential tenancies in England.

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## Contact Our Property Teams

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Our Property Litigation and Commercial Property teams advise landlords, tenants, letting agents and property investors on all aspects of the Renters' Rights Act. Whether you need help understanding your obligations, drafting updated tenancy documents, pursuing or defending possession proceedings, or navigating a mixed-use transaction, we are here to help.

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