

R3NTERS' RIGHTS BILL

Important latest update

“ A key step in determining whether the Bill will receive Royal Assent before the end of the year has taken place. R3 will keep you updated on further developments as they happen.

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Final stages

The Renters' Rights Bill will make provisions to change the law about rented homes, including provision to abolish fixed term assured tenancies and assured shorthold tenancies. It will impose further obligations on landlords in relation to rented homes and temporary and supported accommodation.

R3 has been updating its clients and partners over the last year, and we can confirm **the bill has now reached its final stage** before receiving Royal Assent.

Royal Assent

It is therefore likely that the Bill **will become law before the end of the year** and this will have important consequences on tenancies, tenants and landlords.

Implementation

Implementation is expected to take place from **early 2026**, and will most likely occur **in phases**, although the detail of this is not yet known.

Main provisions

FIGURE 1 below summarises material changes to the legislation as it currently stands.

On the right, we list out the **key highlights**, practical implications and possible consequences of the Bill for landlords, the housing market and securing tenancies.

Rental market outlook

These measures increase the inherent commercial risk of renting properties. We anticipate the market response to be twofold: on the **supply side**, landlords may seek alternative investments, reducing housing supply, creating **upward pressure on rents**.

On the **demand side**, the increased risks could be transferred to tenants and translate in **inflationary pressure on rents**.

Other practical consequences may be a **slower referencing process** as landlords apply more scrutiny before agreeing to a tenancy and **corporate tenancies** (these would not be caught by the Bill) seeing a resurgence.

Key highlights

Tenancies

- Landlords will no longer be able to end tenancies without a valid reason
- Assured Shorthold tenancies (ASTs) will be replaced with periodic tenancies, with the abolition of fixed terms
- Existing ASTs will convert automatically to periodic tenancies
- Tenants will be able to end tenancies by giving 2 months notice at any time from the start

Grounds for possession

- Expanded grounds for possession introduced, including where landlords intend to sell or move back into the property (or for a family member to move back)
- However, intent to sell, and moving back cannot be used within the first 12 months, with a 4 month notice required
- Where these clauses are used, landlords cannot re-let the property for 12 months

Rent increases

- These are limited to once a year and tenants can challenge these if deemed unfair
- Bidding wars will no longer be able to take place, with agents and landlords unable to accept offers above the advertised rent
- Rent payments for periods longer than a month will not be permissible (i.e. paying rent quarterly)

Lifetime deposit

- There are plans to introduce a lifetime deposit scheme where tenants will be able to transfer their deposits between tenancies
- Details are not yet available and not part of primary legislation

Private Renters Ombudsmen

- All private landlords will be required to join a new private renters ombudsmen, enabling additional channels beyond first-tier tribunals for tenants to escalate complaints

FIGURE 1 – RENTERS' RIGHTS BILL MAIN PROVISIONS

No more ASTs	Abolish s21	Possession
All tenancies to become periodic giving tenants 2 months notice to terminate from the outset	Abolish s21 evictions: "no fault" notices from Landlords to regain possession no longer permissible	Ground for possession enhanced to allow Landlords to recover their property when reasonable
Rent increases	Bidding wars	Others
Restriction on rent increases, with notice to increase rent to be provided once a year and at market rate	Banned: offers above asking price can no longer (by law) be accepted by Landlords or Estate Agents	<ul style="list-style-type: none">■ Private rental sector database■ LL ombudsman■ Cap on +1 month rental payments■ Pets