



Understanding the Renters' Rights Act:

What it means for landlords and how we can help



The Renters' Rights Act

The Renters' Rights Act represents the biggest shift in the private rental sector in a generation, marking a significant step forward in creating a more professional and transparent industry. These reforms bring greater clarity and protection for landlords and tenants while also encouraging higher standards and consistency across the industry. As letting agents who already operate at the highest standard, we see this as a positive opportunity to support both landlords and tenants through a period of adjustment to the new legislation.

For landlords, this legislation introduces new responsibilities and many may be daunted by the evolving landscape. With many changes coming into practice around tenancy agreements, possession, rent increases and property standards, expert guidance will be critical to navigating the new status quo. We believe this Act will help raise the bar across the sector and we're proud to play a role in supporting a more professional and fair rental market.

The Government is phasing in the changes in the legislation, so please speak to one of our experts to learn the latest on implementation timelines.

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Abolition

of Section 21 Notices

Section 21 notices, often used for "no-fault evictions", have been abolished. Instead, landlordsneed to use specified grounds under Section 8 of the Housing Act to regain possession. There are 25 mandatory grounds i.e. if you go to court for these reasons the judge must award possession, and 11 discretionary grounds. Mandatory reasons include if a landlord wants to sell their property, serious rent arrears, or if they or a close family member wish to move back in. Discretionary grounds refer to provisions for anti-social behaviour, lesser rent arrears, and damage to the property, amongst others.

Our view:

While this is a big shift, landlords should feel reassured that the updated grounds for possession cover all common reasons for needing to reclaim a property. Recent insights from the English Housing Survey reports that only 0.03% of tenancies end using Section 21, and around 65% of the notices we issue already align with these grounds.

How we help:

We'll guide you through using these new processes effectively. If you plan to sell or move back in, we'll ensure your notice is served correctly and is compliant with new rules, minimising delays or disputes.



End of Fixed-Term Tenancies

Fixed-term tenancies no longer exist, meaning tenants can give at least two months' notice to end a tenancy at any time after moving in, ensuring the end date aligns with the rent period. Landlords are restricted from selling the property or moving back in for a period of 12 months from the start of the tenancy - however, notice can be served earlier subject to the date of the notice falling after tenants have been in the property for 12 months. Where a tenant is at fault, landlords can give notice using the relevant grounds at any point in the tenancy. This includes where a tenant commits antisocial behaviour, is damaging the property, or falls into significant arrears.

Our view: While this change increases flexibility for tenants, landlords should take comfort in knowing that the average tenancy in the UK lasts 35 months. Short tenancies remain uncommon as most tenants seek stability, so it's unlikely for this to have a negative effect.

How we help: Void periods are often a source of concern for landlords. We'll manage tenant relationships proactively to encourage longer stays, and ensuring your rental income remains steady.

Rent Arrears



Whilst the process for gaining possession if the tenant falls into rent arrears isn't changing, the amount of arrears that the tenant needs to be in to start possession is now 3 months.



Our view: Landlords should be reassured that less than 1% of our tenancies have rent that is more than 90 days overdue, however we recommend landlords consider taking out insurance to cover them for any lost rent.



How we help: Landlords with our exclusive Rent & Legal Protection (RLP) are insured for any lost income due to rent arrears and covered for all legal costs to regain possession.

Allowing Pets

Landlords can no longer unreasonably refuse requests for tenants to have pets. Landlords must respond to pet requests within 28 days and must demonstrate that the request is unreasonable or unfeasible due to factors such as lease restrictions. Service animals must be allowed.



Our view: We should encourage landlords to welcome this change, making their properties more appealing to a wider audience. It could also be said that tenants may want to stay longer in properties where landlords consider pets and this can mitigate their concerns about periodic tenancies and the tenant's ability to serve notice more freely.



How we help: It is understandable that landlords will be concerned about the potential for increased damage to their properties. We'll help our landlords to navigate these requests, we remove the stress from this change by introducing clear pet policies, conducting detailed inventories at the start of each tenancy, carrying out regular inspections and managing thorough checkouts.



Ban on Benefit Discrimination

The Act prohibits blanket bans on renting to families with children or those claiming benefits. All prospective tenants must still meet standard referencing criteria to secure a tenancy.



Our view: This creates more inclusivity, without compromising the screening process. Landlords can continue to assess tenants based on their ability to meet rent and other requirements.



How we help: We offer Open Banking & Pro referencing, to give landlords peace of mind when sourcing a tenant. Combining Payroll and HMRC checks with Open Banking through our partner, Goodlord, sets the standard in the industry for the most rigorous and reliable referencing available.

Membership of an Ombudsman Scheme

Landlords must join a new Private Rented Sector Ombudsman Service, ensuring transparency and accountability.



Our view: Responsible landlords who meet their obligations have nothing to fear from the PRS database and Ombudsman. This register will introduce an additional level of transparency to the lettings industry, empowering tenants to make informed decisions about their housing. Landlords will be able to access guidance and support, so they understand the law and know what to expect from their letting agent.



How we help: Whilst the details of the scheme are yet to be finalised, our managed services will assist you with all compliance requirements and support you with registration.

Bidding Wars and Rent in Advance

The Act bans bidding wars and limits rent in advance payments to one month. Landlords can ask for no more than one month's rent in advance, and only after the tenancy agreement is signed but before the tenancy begins. Once the tenancy has started, landlords cannot enforce any clause that requires tenants to pay rent earlier than the agreed due date. You also cannot include any terms that make rent due before the period it covers.

Tenants can still choose to pay early if they want to but you cannot require it.

Clauses requiring advance rent in **existing tenancies** (in place on the commencement date) will continue to be valid.

In short: you may request one month's rent upfront at the start, but you cannot require tenants to pay their rent early during the tenancy.



Our view: The market will naturally adjust to these provisions, with rents set at an optimised level to reflect demand and property value. The majority of landlords already provide decent housing and a good service for their tenants. The Decent Homes Standard (DHS) will help landlords by clarifying requirements and establishing a level playing field, backed up by consistent enforcement. It will make the expectations clear and identify those landlords who don't comply, making the sector fairer for those who do.



How we help: We'll ensure your property is marketed competitively while adhering to these new rules. Our exclusive Rent & Legal Protection policy (RLP) offers additional protection here, covering landlords If the first month's rent isn't paid after a tenancy is signed. Our clients can now claim immediately without this impacting any future claims.

Awaab's Law

In line with the social housing sector, private landlords are now required to address reported hazards, such as mould, within stricter timeframes: 14 days to investigate and 7 days to fix any issues as well as 24 hours to make emergency repairs.



Our view: This change ensures high standards for housing quality. If landlords already maintain their properties responsibly, this should have minimal impact.



How we help: Our regular property inspections and the use of Fixflo, our 24 hour reporting system by tenants, means prompt maintenance management, ensuring your property remains compliant, protecting both tenants and your investment.

Rent Reviews

All rent-review clauses become invalid. Landlords must use the Section 13 process for any rent increase. Rent can rise only once every 12 months with 2 months' notice. Increases must match true market rent.

Tenants can challenge rises at the tribunal if they think it's too high.



Our view:

Landlords and tenants will benefit from a clear, consistent system that reduces disputes and supports fair, evidence-based rent setting.



How we help:

We'll make this process as seamless as possible, by handling the legal process, giving market-rent guidance, issuing correct notices and keeping everything compliant and smooth for both landlords and tenants.



Working Together for Success

These changes may feel like a lot to navigate, but you're not alone. With our expert knowledge, tailored support, and fully managed services, we'll help you adapt seamlessly. Whether it's understanding new legal requirements or maximising your rental income, at John Shepherd, we're here to make your landlord journey smoother and more rewarding.



Ready to future-proof your rental portfolio?

Contact us today to learn how we can help you thrive under the Renters' Rights Act.

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Discover our RLP Policy and our Fully Managed Services

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