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Renters Rights Bill: A Briefing Note for Landlords

The Government's Renters Rights Bill received Royal Assent on 27 October 2025 and will start to come into effect from 01 May 2026. This is a once in a generation bill, and there are huge implications for everyone in the private rented sector. This briefing note aims to outline the key parts of the bill, the consequences for you as a Landlord, for Ethical Lettings **and the steps we are taking to deal with the new landscape**. This will hopefully provide you with all the information you need to be a landlord in 2026 as well as reassure you that we are well prepared to ensure both us and you meet all the legal requirements of the Bill.

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Tenancy Reform

New Legislation

A main provision in the Bill is the abolition of Section 21 notices, commonly referred to as “no-fault evictions,” which allows landlords to evict tenants without providing a reason. Ethical Lettings use these notices to provide you with vacant possession upon request or at the end of our agreement with you.

The Bill also abolishes fixed term assured tenancies, commonly referred to as Assured Shorthold Tenancies, (ASTs). Instead, all current ASTs will change to Assured Periodic Tenancies, with Tenants being able to stay in their home until they decide to end the tenancy by giving 2 months’ notice or the Landlords recovering possession under one of the new grounds of possession.

Tenancy reform will apply to all new AND existing tenancies from 1 May 2026, ensuring the new legislation applies to all tenancies in the private rented sector from day one. Even if you weren’t renting your property via us, you would still be affected privately renting via an Agent on the High Street or to a Tenant directly.

Additionally, in the first 12 months of an Assured Periodic Tenancy a Landlord will not be allowed to sell the property or move into the property themselves (these are two of the grounds of possession that can be used), but only after 12 months have elapsed.

Consequences

Therefore Tenants will be able to remain in their home indefinitely and Ethical Lettings will no longer be able to provide you with vacant possession of your property unless;

- The Tenant gives notice to leave the property, or
- Specific legally defined reasons exist (Grounds of Possession, link provided to a table of these at the end of this briefing note)

Additionally when a new Tenant moves into your property, this prevents you from selling or moving into that property for 12 months from the start of that new Tenancy.

Actions we are taking

Immediately;

1. When a Tenant leaves your property (whether by notice from them, or on one of the grounds of possession), we will notify you and ask you whether you would like to take back possession of your property from the date that they leave. If you decide that you would like to take back possession, rent will stop on the day that the Tenant leaves the property and it is handed back to you.
2. Should you not wish to take the property back, we will find a new tenant for the property, at which time the 12 month period where you cannot sell or move into the property will restart.

From 1 May 2026;

1. Should you require possession of your property, but your reason for requiring notice does not fit within one of the newly defined grounds for possession, and we are unable to provide the same (due to the legal changes), we can still accept notice from you to Ethical Lettings, but upon expiry of the notice, your property will be returned back to you with the Tenant in situ.
2. Of course we understand that circumstances do suddenly change and are not always foreseen. We will always give you advice and discuss options with you when the need for vacant possession arises. As Property Managers of a large portfolio, we may be able to facilitate a tenant move within this, but this will of course depend on property availability and tenant consent to a move at the time. Our promise to you is that we will always be open and transparent and if there is a way we can provide vacant possession to you, then we we will discuss options with you.
3. Should your reason for possession of your property fall within the parameters of the new grounds for possession (ie you intend to sell or let your property to a family member, for example), Ethical Lettings will of course arrange and manage the possession claim as it always has done previously.
4. Ethical Lettings will of course continue to enforce any tenancy they need to should this be required due to rent arrears, anti social behaviour, breach of tenancy or not looking after the property.

The Renters' Rights Information Sheet 2026

The Government has issued a new Renters' Rights Information Sheet 2026. By law this must be provided to every existing Tenant between 01 May 2026 and 31 May 2026. Ethical Lettings is aware that some Landlords and Agencies are already issuing this information sheet. However, the professional advice that we have been given is that this should be

issued between 01 May and 31 May 2026. Please note that you do not need to issue this information sheet, we will ensure that this is correctly issued to all existing Tenants in May 2026.

Renters' Rights Information Sheet 2026



Grounds for Possession

New Legislation

All the proposed new grounds of possession are listed in the link at the end of this note. However we felt it important to highlight the following changes.

The new ground 1 will allow Landlords to seek possession where they intend to sell the property and ground 1A will be available where the Landlord or a family member of the Landlord requires the property to live in.

The Bill makes changes to existing grounds of possession such as grounds 8, 10 and 11 which relate to rent arrears. There will be an increase in the mandatory threshold for rent arrears from 2 to 3 months before action on possession can be started.

Consequences

Landlords intending to rely on grounds 1 or 1A will be required to give 4 months' notice

and as stated earlier will be unable to rely on the grounds in the first 12 months of the tenancy.

Landlords who gain possession on the basis on 1 or 1A, but who then decide not to sell or move in, will be unable to use the property again for letting for a 12 month period.

The enforcement of these matters will be undertaken by the Local Authority and the Government is stating that they will provide the Local Authority with extra resources to manage this new responsibility. This will include penalties for breaches of any of the new laws, including attempting to relet following possession under grounds 1 or 1A. The penalties are covered in the "Compliance" section later in this note.

In terms of rent arrears, the extension of the period of rent arrears from 2 to 3 months creates two potential issues;

- An extended timescale for possession for rent arrears
- Loss of income due to increased rent loss before action can be taken

Actions we are taking

Immediately;

1. The issues relating to rent arrears do not necessarily impact on those Landlords on our Guaranteed Rent scheme. The issues do however increase the risk to Ethical Lettings and therefore to our relationship with you and the business as a whole.
2. As such we will review all rents that we charge to Tenants and make decisions on the rent level and the risk posed by that Tenant and tenancy. We have always assessed rents based on affordability, but we will now factor in the additional risks presented by the changes in legislation, to ensure that our business remains sustainable by resourcing rent issues appropriately and ensuring our relationship and contracts with Landlords are maintained.

It is important to note, that any changes we make to our agreements with Tenants will not under any circumstances, affect the amount of guaranteed rent that we have agreed with and pay you as Landlord.

From 1 May 2026;

On any new properties we take on, we will be required to undertake checks relating to how the property has been used in the previous 12 months. If vacant possession has been gained on the property in that period, (unless you subsequently purchased it in that condition), it will not be a property that we can rent from you.

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Compliance

New Legislation

Councils will have new powers to collect and retain revenue for future enforcement work from financial penalties against Landlords.

Initial or minor non-compliance will incur a civil penalty of up to £7,000 and serious, persistent or repeat non-compliance a civil penalty of up to £40,000.

The Bill will also extend rent repayment orders to some of the new offences in the Bill, increasing the maximum penalty to 2 years' rent and requiring repeat offenders to repay the maximum amount of rent.

And given the removal of s21 (no fault evictions), for the first time, Councils will also be able to issue civil penalties against Landlords who evict their tenants illegally.

Consequences

Given the huge number of changes (listed below) and the significant increase in financial penalties for breaches of the new legislation, it will be important that on our guaranteed rent scheme any communication relating to the tenancy, or letting of the property is done through Ethical Lettings. This will avoid any communication or misunderstanding of their rights or obligations for Tenants, and prevent any problems during possession proceedings where they are required. Ethical Lettings have a comprehensive property management database system and it is through this system that all communications and property diaries will be kept so that there are full and accurate records for the property.

Actions we are taking

Immediately;

To request that if you have any tenancy or property issues to contact Ethical Lettings and not the Tenant directly. This already happens in the vast majority of situations, so hopefully this will not be a difficult action point. We will also be reiterating and communicating this to our tenants.



Private Rented Sector Database

The Bill proposes the creation of a Private Rented Sector Database and a separate Private Rented Sector Landlord Ombudsman. The Database will act in a similar way to a Licensing scheme, in that all Landlords of any private rented sector property in the UK will be required to record their details on the Database. The Ombudsman will offer free and impartial resolution for complaints raised by tenants. This is currently under trial in the Oxford City Council area and once complete, the lessons learnt will inform full nationwide roll out.

Rent Controls

The Bill also introduces limits on rent increases by limiting the ability for Landlords to increase rents to once per year. The Bill will also require Landlords to provide a rent increase notice on a prescribed form, giving two months' notice of the new proposed rent. A Tenant dissatisfied with the new proposed rent could then apply to the First-Tier Tribunal asking the Tribunal to determine whether the notice served is valid and to make a determination on the rent proposed. This will only apply to our relationship with you as a Landlord, in that we may need to go through this process with the Tenant before we can agree an increased guaranteed rent from Ethical Lettings to you. Our aim is to always have open and honest conversations with Tenants about rent increases and with the incoming legislation this will be even more important so as to hopefully avoid any escalations to tribunals.

Decent Homes Standard

A goal of the Bill is to improve housing quality in the private rented sector. To achieve this, the Decent Homes Standard, which already applies to social housing, will be extended to the private rented sector. According to the Government, more than 21% of privately rented homes are currently classified as "non-decent," with over half a million homes containing serious hazards such as mould, dampness, or structural issues.

It is intended that this reform will set minimum standards that Landlords will be required to comply with to ensure that the tenants live in safe, well-maintained properties. Councils will also be granted greater authority to enforce these standards, with fines as outlined earlier for Landlords who fail to address serious housing hazards.

In order to prepare for this, Ethical Lettings is already carrying out regular property inspections and already highlighting to landlords any potential non compliance/works that should be planned.

Rental Bidding Wars

In recent years, rental bidding wars have become an issue in high-demand areas. Some Landlords have leveraged the housing shortage by encouraging potential Tenants to outbid each other, driving up rental prices. The Bill addresses this issue by prohibiting Landlords and Agents from letting properties at a higher rent than the advertised rent.

Additionally, the Bill prohibits discriminatory practices, such as blanket bans on renting to families with children or individuals on housing benefits. These bans, which have long limited access to housing for vulnerable groups, will no longer be permitted except in limited circumstances as set out in the Bill.

The most recent amendments to the Bill also include prohibition on payment of rent in advance which will be treated as a prohibited payment under the Tenant Fees Act (2019). Any rent in advance taken after the tenancy agreement has been signed cannot be more than one month in value.

Extending Awaab's Law

The Bill also extends the provisions of Awaab's Law to the private rental sector. Awaab's Law is named after Awaab Ishak, a two-year old who tragically died due to mould exposure in his family's social housing.

Awaab's Law compels Landlords to address serious housing hazards, such as dampness and mould, within specified timeframes. Under this law, private renters will have the right to demand repairs and improvements to ensure that their living conditions are safe from hazards. Landlords will then be required to investigate and start works on the defects within a specified period which is likely to be in line with the Housing Health and Safety Rating System (HHSRS), with specific timeframes to be set by further regulations which are currently awaited.

Ethical Lettings is developing comprehensive policies and procedures for dealing with damp, mould and condensation complaints. This includes commitment to visiting properties where damp and mould is reported, checking basic such as heating and ventilation systems, providing mould prevention kits to tenants, educating tenants and developing relationships with contractors providing cost effective treatments and

solutions.



Renting with Pets

The Bill will ensure Landlords do not unreasonably withhold consent when a Tenant requests to have a pet in their home, with the tenant able to challenge unfair decisions.

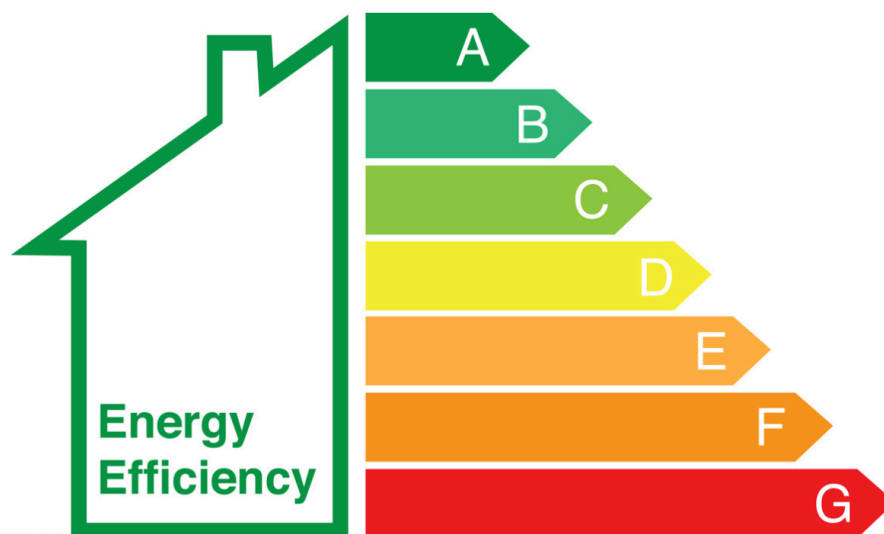
Energy Performance Ratings

The Government have announced that all new tenancies will need to meet a minimum “C” rating by 2028 with all existing tenancies mandated to meet a “C” rating by 2030. Naturally, given the type and age of some housing stock in our country, it may not be possible or financially feasible to reach a “C” rating.

It is expected that there will be a £10,000 limit per property (portfolio landlords may be subjected to different limits) on expenditure to improve energy performance, after which an exemption would be applied. It is expected that grants may be made available and some of our tenants may be entitled to access grant funds to improve energy efficiency too. We will of course be monitoring this closely, including any access to grant funding.

At this stage it is something for landlords to be aware of and expenditure prepared for if

properties are currently rated a “D” or “E”. Your current Energy Performance Certificate will provide you with the relevant information and likely costings of measures you could take within your properties to improve energy efficiency ratings.



Summary

These are difficult and uncertain times for everyone working in the housing private rented sector. As always at Ethical Lettings we are making proactive changes to keep both you as Landlords, and Ethical Lettings as a business, sustainable and within the boundaries of the new legal framework.

We appreciate that the contract between Ethical Lettings and a Landlord (or Tenant) is a binding agreement, but it is also subject to the law. Whilst we do not feel any changes are required to the contract between Ethical Lettings and the Landlord in order to meet the requirements of the Renters Rights Bill, we will of course keep this under review to ensure that all parts of the contract can legally be ‘performed’ by both parties, and as such remain valid and protecting of both parties rights.

For example, the action that we are taking that allows us to return a property back to you with a tenant in situ, (rather than as vacant) is already allowed for in the contract, but has not been a part of the contract that we have previously relied upon. However, when the Renters Rights Bill becomes law, returning the property to you vacant would then require Ethical Lettings to break the new law, and as such that part of the contract would be considered void or unenforceable. I hope it is clear that we are taking the steps we are to ensure we all remain within the bounds of the new law, whether we agree with the aim of that law or not.

As always we are happy to discuss with you as a Landlord any aspect of the Renters Rights Bill and/or our responses as outlined in this briefing note.

We have also attached a link to the Governments own guidance on the new Bill below. This provides a background and the Governments rational for introducing the Bill, as well as more detail on all of the proposed changes.

Within this guidance is Table 1: Grounds for Possession which details all of the proposed grounds for possession, the notice periods for each of those grounds, and a small section on the terms and conditions relating to each of the grounds.

We hope that you have found this note informative and useful for all the properties in your portfolio, as this law applies equally to all properties in the private rented sector, whether they are with Ethical Lettings or not.

Government Guidance



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