

The Renters' Rights Act

Delivering reforms and homes

Introduction – what is the Renters' Rights Act?

The Renters' Rights Act (Act), which comes into force on 1 May 2026, brings in the largest set of reforms to the Private Rented Sector (PRS) in over 30 years, introducing a new tenancy system, greater oversight and accountability, and stronger protections for tenants. Key reforms include:

- **Abolishing s 21 evictions** and introducing additional, courts-based grounds for possession
- **Removing fixed-term tenancies**, replacing these with rolling, periodic tenancies
- **Restricting rent increases to once annually**, and only via a s 13 notice
- **Ending the practice of rental bidding**
- **Introducing a Private Rented Sector Database (PRS Database)**, to which all landlords must be registered
- **Strengthening local authority monitoring and enforcement powers**

Many of these reforms are long overdue and welcomed by the British Property Federation (BPF) and our members, many of which own, develop, and manage Build to Rent (BtR) schemes, providing high-quality, purpose-built homes for renters – that are already largely ahead of the Act's reforms.

However, at a time when the Government has committed to deliver 1.5 million homes by 2029, and development of new housing has all but stalled, it's essential that any reforms minimise the impact on delivery and provide as much certainty as possible. As we'll cover here, the Government has not ensured this ahead of 1 May – but can still work towards this, and should do so with urgency.

What is viability?

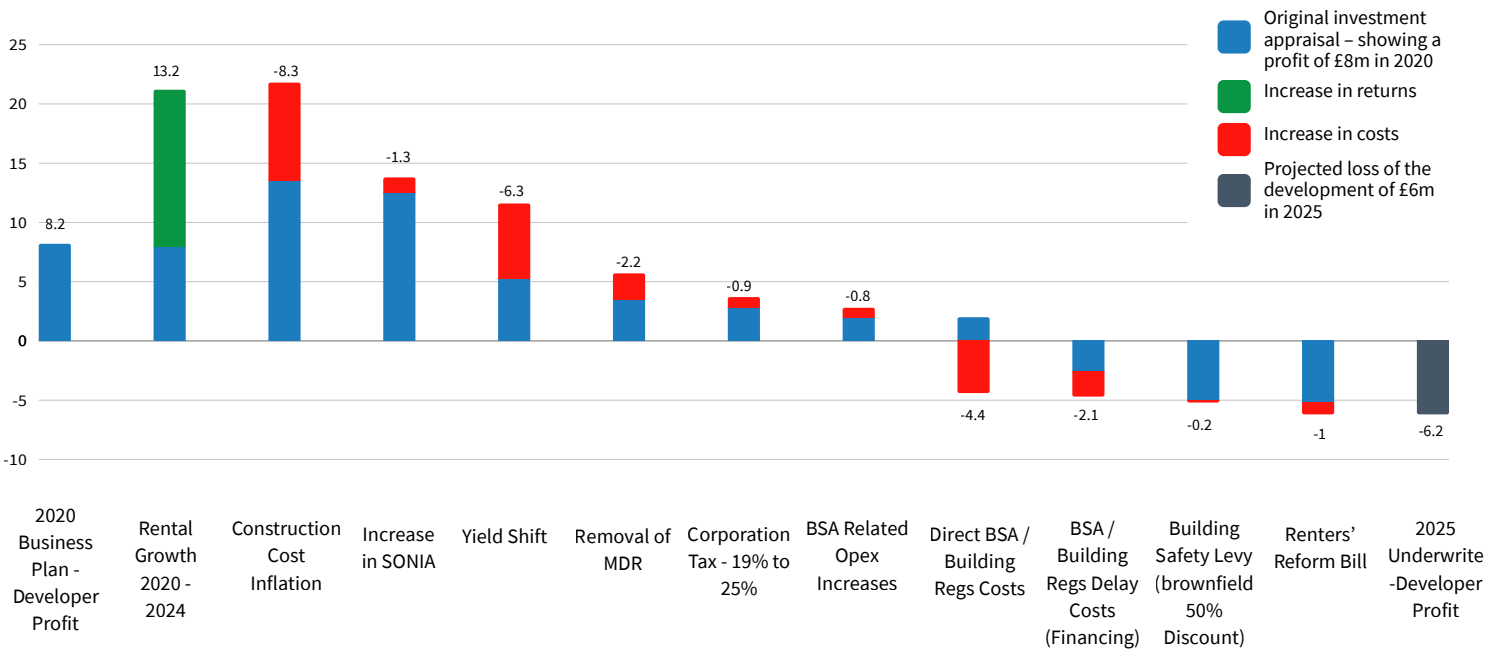
In this paper, we use the term 'development viability' to broadly refer to economic viability. A potential investment will be economically viable if it is both profitable and the returns sufficiently compensate the investor for the risks involved. Conversely, where an investment is not profitable, or where the returns do not sufficiently compensate for the risk – it would not be economically viable, and therefore, the private sector will not be able to deliver it. We discuss viability and its considerations in more detail in our report [Boosting Development Viability](#).

Delivery of new homes is increasingly constrained

Against the backdrop of the Government's commitment to deliver 1.5 million homes by 2029, the sector's ability to deliver new homes over the past few years has become increasingly difficult. In the BtR sector – which provides genuinely additional, new homes for renters – the figures are stark: in 2025, only 613 new homes started construction in London, down 80% compared to 2024. The same pressures were felt elsewhere in the country, with new home starts falling 37% in the regions from 12,781 in 2024 to 8,063 in 2025.

What's behind this drop in homes?

Development viability is affected by a number of factors both market and regulatory. To illustrate how these factors have worsened over the past few years, the graph below illustrates an investment viability appraisal carried out on a development that was viable in 2020 and subsequently constructed – delivering c.300 new homes. A hypothetical appraisal was then run in 2025, showing how fluctuations in market and regulatory factors have dramatically changed the viability of the development from one that was viable and making a profit of £8m, to an unviable project with a loss of £6m.

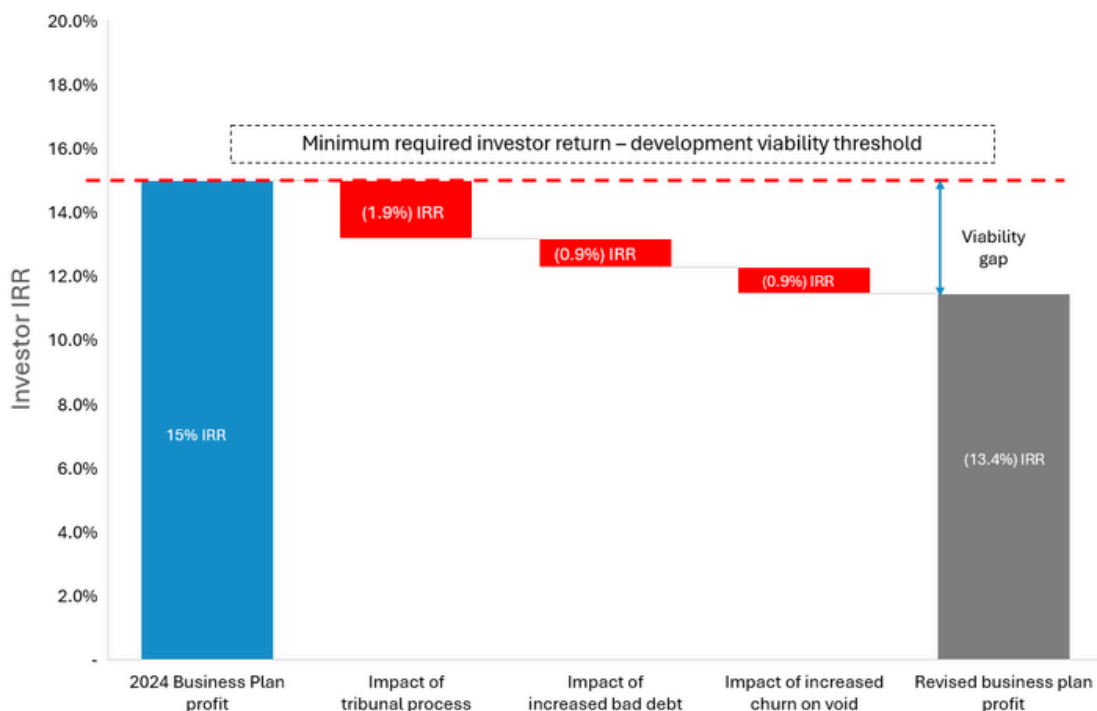


How will the Act impact viability?

The above graph notes a range of factors that impact development viability – we discuss these in more detail in our Boosting Development Viability report. For the purposes of this paper, we’re focusing on the specific impacts of the Act in the final column.

There are three consequences of the Act significantly impacting viability – rent increase appeals, bad credit due to court delays / lack of capacity, and higher churn as a result of the move from fixed-term to rolling tenancies.

The below graph looks, in further detail, at the impacts of these on viability. It is based on a business plan for a 400-unit BtR scheme to develop, stabilise, and sell the building over a four-year period. It shows the required “Internal Rate of Return” (the percentage return expected from an investment) required to make a scheme viable – c.15% - and the impacts of the Act’s reforms on that rate of return, such that the scheme would no longer meet the required investor return and would not be viable – all by virtue only of the Act’s impacts. The first two factors are entirely mitigatable by the Government, and addressing them would have a marked positive impact on viability. We discuss these in more detail below.



The Section 13 rent increase process

Under the Act, landlords will only be able to increase rents once annually through a statutory process known as the 's 13 process'. Tenants will have expanded abilities challenge any proposed rent increase and effectively defer rent increases through the First Tier Tribunal (Tribunal). This is because the Tribunal's determination may lower, but not raise, the landlord's market rent assessment, and the change in rent takes effect from the Tribunal's decision date, not the date of proposed by the landlord in the s 13 notice – even where the appeal is not successful.

This is the Act's most significant impact on viability, as it interferes with a landlord's ability to underwrite, or plan for, rental growth over the long term. As the graph above shows, delays in planned rental income due to appeals (even unsuccessful appeals) materially affects real income. Further, the inability to know with confidence what your income is going to be in future – especially for BtR owners, who invest in new rental homes on a long-term basis – makes the investment much riskier, and limits potential returns. This does not incentivise investment into the sector, undermining the Government's ambition to deliver 1.5 million homes.

Tribunal capacity

The Government has committed to introducing backdating of rent for unsuccessful appeals where there is evidence that the Tribunal is 'overwhelmed', to provide more certainty for landlords. However, Ministers have admitted through Written Parliamentary Questions that the Government does not hold centralised data on appeal volumes or processing times, [1] making it impossible to establish a reliable baseline from which to measure 'overwhelm'.

Data obtained by the BPF through Freedom of Information Act requests to the five individual Tribunal Property Chambers (Chamber) paint a stark picture [2]. We asked each Chamber for the total number of rent appeal cases brought by tenants each year over the past three full years, and the average time for to consider, process, and rule upon these appeals.

Of the five Chambers, four responded to the request – three with substantive data, and one to confirm that it did not hold the information. Concerningly, only one Chamber confirmed it held data on how long it took to dispose of these appeals, measured by how many cases were disposed of within 10 weeks [3].

2,944

cases brought to three Tribunal Chambers over the past 3 years

981

average cases each year

21%

appeals decided within 10 weeks
[data based on one Chamber]

The lack of consistent collection of this data across Chambers and centrally through Government, particularly with the Act's implementation imminent, is very concerning – it demonstrates that the Tribunal itself does not know the baseline from which to evidence any overwhelm, largely without any information on how long it takes each Chamber to process appeals. Most concerningly, based on the evidence provided by one Chamber, the Tribunal is currently unable to process almost 80% of cases in less than 10 weeks. Expanding the use of the s 13 process to all tenancies will dramatically increase the number of appeals the Tribunal hears, and there is no evidence it is well placed to handle its current workload, let alone a significant increase.

Rent appeal filtering body

Alongside its commitment to introducing backdating where the Tribunal is 'overwhelmed', the Government also committed, as quickly as is possible, to undertaking a viability assessment of an alternative or filtering body to make initial rent determinations before the Tribunal, to relieve pressure on the Tribunal [4].

Despite a commitment to introduce this filtering body as quickly as possible, the Government has not detailed any progress on this workstream, or when such a body will be operational. In response to a Written Parliamentary Question, the Minister could only confirm that the Ministry “will provide details in due course” [5].

Given that, according to one Chamber, c.80% of cases take over 10 weeks to be dealt with, there is urgent need for a filtering body to take the pressure off Tribunal workloads and prevent delays.

The expected s 13 process does not provide landlords making reasonable, market-aligned rent increases with certainty as to their ability to increase rents and plan their income long-term. Not only does it undermine the attractiveness of the PRS for new investors, but it will negatively impact existing landlords and incentivise their exit.

Court delays and possession hearings

As noted above, the Act abolishes s 21 evictions and replaces these with courts-based possession grounds. The BPF is supportive of the abolition of s 21, provided that the courts are well-equipped to efficiently and effectively handle an increase in possession proceedings. With the abolition of s 21, landlords will only be able to recover their properties through these grounds. Access to the courts is therefore the linchpin of the entire reform – without it, the new possession regime is illusory and the balance of rights in the Act tips firmly in one direction.

The graph assumes, as a result of current delays in court proceedings, a higher level of bad debt as a result of lengthened processes for evictions – this is illustrated below:

Current	2 months arrears	2 weeks' notice	2 months court process
Post-Act	3 months arrears	4 weeks' notice	6 months court process

An increased prevalence of bad debt is essentially a loss of rental income for a landlord, and the Act's extension of the arrears and notice period, and a longer court process thanks to increased case volumes, means that where a tenant is not paying rent, the landlord has a longer time in which they aren't receiving any income before they can get a new tenant into the property. As the graph shows, assumptions here equate to an almost 1% drop in IRR and thus viability.

During the Act's passage through Parliament, the Minister provided that [6]:

“... court readiness is essential to the successful operation of the new system. That is why my officials and I are working closely with the Minister for Courts and Legal Services and her team to ensure that the Courts and Tribunals Service is ready when the new tenancy system is brought into force.”

However, despite several references to work progressing alongside the Ministry of Justice to ensure court readiness, and a £50 million commitment to modernise all civil courts (of which an unspecified amount will support increased possession proceedings) [7] the Government has failed to provide specific metrics, timelines, or definitions of what “court readiness” means, even going so far as to refuse a Freedom of Information Act request to release the Justice Impact Assessment for the Bill, which would set out the impacts of the reforms on the courts and justice system.

Recent data from the Ministry of Justice shows that the average time between the courts accepting a claim to repossession for private landlords using the grounds-based route is **27.4 weeks** [8]. This is longer than the assumptions made in the graph, and has increased by three weeks over the last year – showing that court timeliness has gotten worse since the Government committed to addressing it, not better.

Court bailiff delays are compounding the problem, with waits of up to five months reported in some areas. Several Written Parliamentary Questions have been lodged enquiring as to the progress of court reforms in anticipation of the Act coming into force. None of the granular information requested through these was provided by the Government, underscoring the concerns that progress on system readiness is inadequate. In January, the Minister for Courts provided that work being undertaken includes [9]:

... recruiting additional administrative staff, establishing a centralised operational hub, and updating our operational processes to improve efficiency ... ensuring the availability of suitable estates capacity for hearings and enhancing our technology systems to support the increased workload.

The Government expects these to be in place in time for implementation of the Act [10] – though no specific progress has been publicly documented on these workstreams.

A key pillar of work on court capacity is digitisation of the possession claims process in the county courts – towards which an unspecified amount of the £50 million committed will be allocated. However, according to the Government, this is not expected to complete until mid-2027 [11].

The Act's reforms have already undermined landlord confidence in the rental market – a recent landlord survey found that 19% of landlords are looking to reduce their portfolios, with 80% citing the Act as a reason for this [12]. A lack of transparency, prioritisation, and progress on the above issues – which are entirely addressable by the Government, and can be done without negatively impacting tenants or the intention behind the reforms – is further eroding confidence in the PRS.

The PRS Database

A key reform not mentioned in the graph above, but which is particularly concerning for large BtR landlords, is the PRS Database, to be introduced in late 2026 and to which all landlords will have to be registered and supply certain information about their properties.

While the intent of the PRS Database – to provide better transparency around landlords and their properties for both tenants and local authorities – is welcomed, it has the potential to be a very costly exercise for BtR landlords, particularly if it does not learn the lessons of existing local authority licensing regimes.

Licensing is used by local authorities for a similar purpose to the PRS Database – to promote transparency and accountability through a register of landlords, and the ability to carry out property checks. However, the licensing regime was designed for a PRS made up of individual landlords, not organisational, BtR landlords. As a result, the system is duplicative, resource-intensive, and costly. For example:

- Applicants for licenses pay a fee per unit, and can cost over £1,000 per unit; to license a large BtR development therefore can be in excess of £300,000, despite that the units are similar, share common amenities, and are managed by one landlord;
- Each application must be submitted individually, and takes time to complete – our members commonly report that licensing for a new building can require one FTE for over a month, just filling out applications; and
- Licenses cannot be transferred from one employee to another – this requires landlords to apply for an entirely new license every time the staff member holding the license leaves the company, despite that the corporate landlord managing the property remains the same. This requires the cost and resource above to be incurred again, just for an administrative task.

In a development environment where viability is already constrained and most schemes are not able to be delivered, adding potentially hundred of thousands of pounds of additional cost, for a system that can easily be designed to avoid this, is counterproductive and again undermines the Government's ambition to deliver 1.5 million homes.

How to successfully implement the reforms without compromising delivery

The Government can, and should, address these entirely mitigatable consequences on delivery and the attractiveness of the PRS with urgency, to ensure the continued investment into PRS homes:

The s13 process

- Introduce backdating of rent increases to the date in the s 13 notice, where a rent appeal is unsuccessful, to provide landlords with confidence in rental income growth
- Prioritise the introduction of a filtering body to alleviate resourcing pressures on the Tribunal and prevent unnecessary delays, ideally before the end of 2026

Court resourcing

- A commitment to progress digitisation of the possession claims process through the county courts with urgency and, at the latest, before the end of 2026.
- A detailed update on current progress on the workstreams outlined by the Minister for Courts above, noting which have been completed prior to 1 May. For those not completed by 1 May, the Government should provide details of when they will be complete and how they are being addressed with urgency, including detail of additional funding being provided to support this.

PRS Database

- Ensure that the PRS Database provides a streamlined, organisational landlord-specific process that allows for bulk uploads and discounts, and allows for administrative changes without incurring unnecessary additional costs.

References

1. UK Parliament, [Written Parliamentary Question UIN 92758](#), tabled 19 November 2025.
2. Requests sent in January 2026, responses received across Q1 2026.
3. 255 cases out of 1207 cases
4. UK [Parliament Renters' Rights Bill Report \(1st Day\)](#) 1 July 2025
5. UK Parliament [Written Parliamentary Question UIN 116835](#), tabled 2 March 2026.
6. UK Parliament [Renters' Rights Bill Third Reading](#) 14 January 2025.
7. GOV. UK ["Councils backed with millions to take on rogue landlords"](#) 14 April 2026.
8. Ministry of Justice ["Mortgage and landlord possession statistics: July to September 2025"](#) 13 November 2025.
9. UK Parliament, [Written Parliamentary Question UIN 106177](#), tabled 15 January 2026.
10. UK Parliament [Written Parliamentary Question UIN 125542](#), tabled 10 April 2026.
11. Ministry of Housing, Communities, and Local Government [Implementing the Renters' Rights Act 2025: Our roadmap for reforming the Private Rented Sector](#) 13 November 2025.
12. Goodlord ["State of the Lettings Industry Report 2025"](#)

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