



# Octo

FINANCIAL PLANNING

**The Renters' Rights Act represents the biggest shift in the private rented sector for a generation. While many of the headline changes are now confirmed, important operational details remain subject to secondary legislation.**

Landlords who prepare early before the deadline of 1st May 2026 – by reviewing portfolios, improving documentation and understanding the new possession framework – will be best placed to adapt smoothly. Brokers can add value by helping clients understand the direction of travel and by encouraging early, compliant planning rather than last minute changes.

Below we have summarised the top six changes that are soon to be implemented, however we recommend that you signpost clients to the full [government guidance](#) to ensure that they are fully up to speed.

**This guide is intended as a high-level summary and does not constitute legal advice.**



## 1. ASSURED SHORTHOLD TENANCIES (ASTS) ARE ENDING

From 1 May 2026, **Assured Shorthold Tenancies (ASTs) will be abolished** and replaced by **Assured Periodic Tenancies (APTs)**.

### What does this mean in practice?

- Tenancies will be **open-ended** and will no longer have a fixed end date, which is otherwise known as the tenants having 'security of tenure'.
- Tenants will be able to end their tenancy at any time by giving **at least two months' notice**. They will be able to do so right from the start of the tenancy.
- **All existing ASTs will automatically convert** into assured periodic tenancies on 1 May 2026.

### Written information requirements

- Tenancies starting on or after 1 May 2026: landlords must provide tenants with prescribed written information about the tenancy (this information may be included within the tenancy agreement itself or form part of a standalone document). The exact content will be confirmed in secondary legislation, but draft legislation lists some mandatory information. This includes but is not limited to the name of the tenant, the landlord's address for service, the property address, the rent payable and certain statements relating to the new possession grounds.
- Tenancies that started before 1 May 2026: landlords will not need to re-issue existing tenancy agreements, as they will automatically convert to APTs. Landlords will be required to give tenants a government-produced information sheet. **If landlords do not provide this information by the deadline they could be fined up to £7,000.**

### What can landlords do now?

- Send the Information Sheet to their tenants (if the tenancy was created before 1 May 2026).
- Review existing tenancy documentation.
- Prepare for a move away from fixed-term thinking towards ongoing tenancies.

## 2. SECTION 21 'NO-FAULT' EVICTIONS WILL END

From 1 May 2026, landlords will no longer be able to serve any new Section 21 notices to regain possession of a property. Landlords are able to rely on existing valid notices served prior to 1 May 2026, subject to issuing possession proceedings within prescribed timeframes (but note the latest date will be 31 July 2026).

### What replaces Section 21?

Landlords will need to rely on **grounds for possession under Section 8** of the Housing Act. These fall into two categories: (1) **Mandatory grounds** – where the court must grant possession if the ground is proven (2) **Discretionary grounds** – where the court decides whether it is reasonable to grant possession.

Several grounds have been amended or strengthened to support landlords in genuine cases (such as selling a property or moving in themselves), but **evidence and following the correct process will be essential**.

### What can landlords do now?

- Take tenant selection seriously, as possession will rely more heavily on statutory grounds.
- Using a tenant referencing or vetting agency is permitted, but landlords must:
  - Obtain tenant consent.
  - Comply with data protection rules.
  - Avoid unlawful discrimination.

The Act strengthens protections for tenants with children and tenants requesting to keep pets. Landlords must not apply blanket bans and must follow the new rules carefully.

## 3. STUDENT ACCOMMODATION – SPECIAL RULES APPLY

The Act treats student accommodation differently depending on the type of housing and the legal agreement in place.

### Purpose-Built Student Accommodation (PBSA)

- Some PBSA may fall outside the regime depending on **who grants the tenancy and the basis on which it is granted**.
- The Government has indicated that **secondary legislation will clarify** which providers and arrangements are exempt but it is expected that the property must be let or managed by a member of a government approved student housing management code of practice.
- Until this legislation is published, landlords and operators should avoid assuming they are exempt.

### HMOs let to students

Landlords who own Houses in Multiple Occupation (HMOs) – defined in the Act as properties rented to at least three people who are not from the same household – and let them to students will need to pay particular attention to how the new regime operates.

- Student HMOs are generally expected to fall within the assured tenancy regime.
- A new Ground 4A is being introduced to allow landlords to regain possession in order to re-let the property to a new group of full-time students for the following academic year.
- This ground is intended to support the traditional student letting cycle, but:
  - The final qualifying criteria and notice requirements will be confirmed in secondary legislation.
  - To rely on the new Ground 4A, the property must be let wholly to full-time students.
  - Landlords will still need to follow the correct notice process and evidential requirements.
  - Even where Ground 4A applies, tenants will retain the right to give two months' notice at any time, which could result in void periods.

### What can landlords do now?

- Identify whether their student properties are likely to fall within or outside the assured tenancy regime.
- Keep under review the final regulations once published.
- Monitor the types of students they will be letting the property to.

## 4. RENT INCREASES UNDER THE NEW REGIME

New rules around rent increases will be introduced that include;

- Rent increases will be permitted no more than once per year and only on two months' prior notice being given to the tenant.
- Landlords must use a prescribed statutory notice to propose a rent increase, as a simple agreement with the tenant won't be enough.
- Increases must reflect the open-market rent
- Tenants will have the right to challenge the proposed rent increases at the First-tier Tribunal if they believe they are above market level
- This will be available to tenants on every proposed rent increase, but also during the first six months of any tenancy agreement (even if they had agreed to the rent level at the outset).
- The Tribunal will determine the market rent, which will then apply.
- Tribunal determined rent will not be backdated to the date of the notice but will be effective from the date of the tribunal decision. This means the tribunal delays will affect when the new rent commences.
- The Tribunal is a no cost forum, meaning if tenants are unsuccessful, they will not be liable to pay for the landlord's associated costs.

### What can landlords do:

Ensure rent reviews are well-evidenced, realistic and aligned with local market conditions. It is recommended to collate as much comparable evidence as possible.



### What happens if landlords choose not to comply?

Councils will have enhanced investigatory powers, including the ability to require information and carry out inspections.

- **Civil penalties of up to £7,000** may be imposed for initial or minor breaches.
- **Civil penalties of up to £40,000** may apply for serious, repeated or deliberate non-compliance (as an alternative to prosecution).



## 5. THE NEW OMBUDSMAN SERVICE

All private landlords will be required to **join a new Private Rented Sector Ombudsman scheme**.

### What is the purpose of the scheme?

- The Ombudsman will provide tenants with a **free, independent route to resolve disputes** without going to court.
- The service will be able to make **binding decisions**, including requiring landlords to take remedial action or pay compensation.
- Membership will be **mandatory**, even for landlords who self-manage.

### What can landlords do:

Prepare for mandatory registration and ensure complaints handling, record keeping and response times are robust.

## 6. THE LANDLORD'S DATABASE

The Government is requiring a landlord's database. We do not know exactly when this will come into force, but it is anticipated to be from late 2026.

It is not yet known what information landlords will need to include within this database. Secondary legislation is expected on this point, but it is anticipated that it will require landlords to provide information on themselves and their properties.

### The database is important as:

1. Landlords will not be permitted to market a property until they have an active entry for themselves and the property on the register. Any marketing will need to include the unique identification number which will be provided to them when they register the information; and
2. Landlord's will not be able to get possession of their property (save for limited nuisance/anti-social behaviour grounds) if they are not on the database. They could face potential civil and criminal penalties.



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