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England's Renters' Rights Act:

Key Changes and How to Prepare

The Renters' Rights Bill received Royal Assent in October 2025, marking a historic shift in England's rental market. It has now become the Renters' Rights Act, with initial provisions scheduled to be phased in beginning May 1, 2026. The protections introduced align England more closely with rental frameworks already in place across several European countries, including Ireland, Luxembourg, Germany, Belgium and France. In addition, a number of European countries have announced plans to further strengthen tenant protections in 2026.

In England, the legislation is expected to introduce future reforms such as changes to Section 21 "no-fault" evictions, a move toward open-ended tenancies and enhanced tenant rights. While similar measures are already established in Scotland and Wales, organizations relocating employees or managing transferees should begin preparing for compliance and a smooth transition as these changes are phased in.

Key Legislative Changes

End of Section 21 Evictions

The legislation removes Section 21 "no-fault" evictions, preventing landlords in England from evicting tenants without a valid, legally defined reason. Tenants can no longer be required to leave simply because a fixed-term contract has ended or at a landlord's discretion without evidence of a breach of contractual terms or other legally recognized circumstance.

From May 1, 2026, landlords must provide legitimate, legally recognized grounds for eviction. These may include documented antisocial behavior (such as police reports or formal complaints), substantial rent arrears, significant property damage, or the landlord's intention to sell the property or move into it. This change increases security and stability for renters while requiring landlords to follow a more transparent and accountable possession process.

Periodic Tenancies

Under the new law, all private rental agreements will move from fixed-term contracts to open-ended periodic tenancies, providing tenants with greater flexibility and security. Rather than being locked into a six- or twelve-month term, tenants may end a tenancy by giving two months' notice, aligned with the rent due date.

For transferees, this change is particularly beneficial, as it reduces risk associated with job assignment changes or unexpected relocation adjustments. While landlords retain the right to regain possession, they may do so only under clearly defined Section 8 grounds—such as selling the property or addressing serious tenant misconduct—supporting a more balanced and transparent rental framework.

Additional Tenancy Structure Rules

The Act also introduces specific rules affecting how tenancies are structured, renewed and categorized, with direct implications for landlords, agents and organizations managing employee housing.

- **Break clauses become null and void after May 1, 2026**. Any previously negotiated break clause in an Assured Shorthold Tenancy (AST) will no longer apply once the Act takes effect.

- **New leases cannot be issued where a current tenancy already exists.** Existing ASTs will automatically convert to periodic tenancies, and agents should not issue replacement contracts.

- **Non-AST tenancies are excluded from the Act.** Company tenancies, common law tenancies, and high value leases above £100,000 per year fall outside the scope of the Renters' Rights Act.

Rent Controls

Rent increases in England are now limited to once per year, providing tenants with greater predictability for budgeting and managing cost-of-living expenses. Any increase must be fair, evidence-based and supported by appropriate notice. Rent adjustments must also be reasonable and reflective of comparable properties in the local market.

Renters have the right to challenge unreasonable rent increases through formal dispute resolution, submitted to the First-tier Tribunal, with no fee required. Landlords must adhere strictly to the advertised rental price and may neither request nor accept offers above that amount. As a result, rental bidding wars are prohibited, creating a more transparent and equitable market.

This change is particularly significant for transferees entering competitive urban areas such as London, where bidding wars previously pushed rents beyond advertised rates.

Leasing, Payment and Deposit Requirements (New Under the Act)

The Act introduces new rules governing when rent may be collected, how leases are executed and the handling of deposits, with direct operational implications for landlords, agents and relocation providers.

- **Rent cannot be collected** until the lease is fully executed (signed and dated by all parties)
- **Keys must be released** once the lease is executed, as the agreement becomes legally binding at that point
- **Upfront rent restrictions:**
  - Rent may not be requested prior to lease execution
  - Tenants may voluntarily offer upfront rent after month two, but it cannot be required
- **Holding deposits** are still permitted to reserve a property
- **Security deposit caps** remain unchanged:
  - Five weeks' rent for standard tenancies
  - Six weeks' rent for high-value rentals exceeding £50,000 per year

Tenant Rights

The Renters' Rights Act establishes stronger protections and fairer treatment for tenants. Discrimination is explicitly addressed through the prohibition of rejecting applicants based on benefits status or family composition, supporting equal access for a diverse transferee population.

Tenants also gain the right to request pets, and landlords must respond reasonably. Pet deposits may no longer be charged, making it easier for relocating families to secure suitable housing.

Where an eviction notice appears unfair or retaliatory, tenants have the right to challenge it in court, providing meaningful recourse and enhanced legal protection.

Oversight and Enforcement

The Act introduces phased oversight measures to strengthen accountability across the private rental sector.

Phase 2 (expected late 2026) will launch the Private Rented Sector (PRS) Database, requiring landlords to register themselves and their properties and demonstrate compliance with safety and quality standards. This transparency will help companies and employees avoid fraudulent or substandard rentals.

By 2028, a landlord-funded, mandatory Private Renters' Ombudsman will provide tenants with a streamlined, low-cost alternative to court proceedings—particularly valuable for those unfamiliar with England, Scotland and Wales legal systems.

Phase 3 will introduce the Decent Homes Standard and enforce Awaab's Law, mandating urgent remediation of hazards such as damp and mold. These measures will be supported by an enhanced Housing Health and Safety Rating System and new requirements to meet Minimum Energy Efficiency Standards (MEES) by 2030.

Together, these reforms aim to create a safer, more transparent and accountable rental market.

Actionable Steps for Companies

1 Update Relocation & Mobility Policies

- Integrate England, Scotland and Wales tenancy guidance into global frameworks
- Include support for lease negotiation, rental bidding compliance and dispute resolution processes
- Clarify state exclusions for corporate housing, company leases and high value tenancies

2 Strengthen Housing Support

- Engage relocation partners for compliant home finding and lease review
- Ensure Right to Rent and deposit protection obligations are met
- Provide 30–90 days of temporary accommodation where required

3 Adjust Financial Support

- Offer lump-sum or direct-bill options for rental costs
- Reimburse moving costs, legal fees and application charges where applicable
- Align advance rent support with upfront payment restrictions under the Act

4 Risk Management & Compliance

- Train teams on Section 8 grounds and notice requirements
- Maintain audit trails for tenancy agreements and landlord compliance records
- Leverage the PRS Database and Ombudsman once available

Actionable Steps for Transferees

1 Know Your Rights

- All tenancies are open ended from May 1 2026; tenants may leave with two months' notice aligned to the rent period
- Evictions require valid grounds and appropriate documentation
- Rent increases and unsafe conditions may be formally challenged

2 Financial Preparation

- Budget for holding deposit, security deposit, first month's rent and moving costs
- Confirm deposit protection scheme compliance
- Avoid paying more than one month's rent upfront unless voluntarily chosen after month two

3 Secure Suitable Housing

- Use employer approved relocation support
- Confirm property meets Decent Homes Standard and Awaab's Law requirements

4 Plan for Families and Pets

- Request pet consent early and provide supporting documentation
- Use employer-supported school search and settling-in services where available

Implementation Timeline

Q4 2025:
Policy updates and staff training

Q1 2026:
Adoption of updated tenancy templates

May 1 2026:
Periodic tenancies implemented; Section 21 abolished

2026-2028:
PRS Database rollout; Ombudsman implementation

2030+:
MEES compliance; Decent Homes Standard and Awaab's Law fully enforced

Prepare your mobility program for England's new rental landscape. Speak with a member of Graebel's Advisory team to review your housing policies, lease practices and transferee support in light of the Renters' Rights Act — and ensure you're ready for what's ahead.