EXPLANATORY MEMORANDUM TO

THE RENTERS' RIGHTS ACT 2025 (COMMENCEMENT NO. 2 AND TRANSITIONAL AND SAVING PROVISIONS) REGULATIONS 2026

2026 No. 421

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Ministry of Housing, Communities and Local Government (MHCLG) and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Matthew Pennycook MP, Minister of State for Housing and Planning at MHCLG, confirms that this Explanatory Memorandum meets the required standard.

2.2 Ross McInnes and Guy Horsington, Deputy Directors for the Private Rented Sector at MHCLG, confirm that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 James Kennedy at MHCLG can be contacted by email at the following address with any queries regarding the instrument: prsguidance@communities.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument commences a number of provisions in the Renters' Rights Act (RRA) 2025. It primarily brings into force the reforms to the assured tenancy system set out in Part 1, strengthening rights and protections for tenants in the private rented sector. This includes the abolition of section 21 'no fault' evictions and fixed-term assured tenancies.

4.2 The instrument also commences new measures to support tenants challenging unreasonable rent increases, with all rent increases in the private rented sector using the same process. In addition, it commences restrictions on landlords charging significant amounts of rent in advance alongside further measures to prevent landlords and letting agents from creating and facilitating bidding wars.

4.3 Tenants will also benefit from a strengthened right to request a pet in their privately rented property, which the landlord must consider and cannot unreasonably refuse.

4.4 This instrument will also commence the provisions in the RRA which address indirect and direct discriminatory practices against prospective tenants with children or those in receipt of benefits in England. While the Act contains equivalent provisions for Scotland and Wales, these will be commenced separately by the respective devolved administrations.

4.5 In addition, the instrument will bring into force a number of key enforcement provisions in the RRA These include the introduction of a new enforcement duty on local authorities, creation of new offences and financial penalties, and strengthened Rent Repayment Orders (RROs).

4.6 To support an effective and streamlined transition from the existing tenancy framework to the new system, the instrument includes a number of transitional and saving provisions.

4.7 Finally, the instrument commences section 74 of the RRA, which will enable complaints to be made to the Local Government and Social Care Ombudsman about a local authority acting in its capacity as a social landlord in circumstances where the complaint is not within the ambit of the Housing Ombudsman.

Where does the legislation extend to, and apply?

4.8 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.9 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales. The majority of the RRA's provisions apply only to England as they concern dwellings in England. However, sections 105 (unlicensed HMOs and houses: offences) and 106 (service of improvement notices on landlords and licensors), which are commenced by this instrument, also apply to Wales.

5. Policy Context

What is being done and why?

5.1 The private rented sector has doubled in size since 2002 and is now the second largest housing tenure. However, private rented homes are among the least secure and least affordable of any sector. In the financial year 2024 to 2025, 26,660 households in England were threatened with homelessness due to service of a section 21 notice to end an assured shorthold tenancy[1].

5.2 Affordability pressures are acute for many tenants. In 2024, 30% of renters found it either fairly or very difficult to pay their rent, with private renters generally finding it more difficult (32%) than social renters (26%)[2]. In addition, frequent moves, caused by a lack of security, can exacerbate affordability challenges for renters – with renters in the private rental market in England paying an average of £669 in unrecoverable costs for every forced move[3].

5.3 Landlords in the private rented sector have also reported that limited or inadequate enforcement of the existing law is allowing rogue landlords to thrive, which is undercutting the compliant majority[4].

5.4 In response to these challenges, the government introduced the Renters' Rights Bill in the House of Commons on 11 September 2024. It received Royal Assent and on 27 October 2025 and several of the core measures in the RRA are included in this instrument.

What was the previous policy, how is this different?

5.5 The RRA makes provision for several legislative interventions to address these challenges and issues. Previously, tenants with assured or assured shorthold tenancies

[1] https://www.gov.uk/government/statistics/statutory-homelessness-in-england-financial-year-2024-25

[2] English Housing Survey, 2024-2025 – https://www.gov.uk/government/statistics/chapters-for-english-housing-survey-2024-to-2025-headline-findings-on-demographics-and-household-resilience/chapter-2-housing-costs-and-affordability#mortgage-and-rent-arrears

[3] https://england.shelter.org.uk/media/press_release/unwanted_moves_cost_renters_more_than_half_a_billion_pounds_a_year_

[4] https://www.nrla.org.uk/research/special-reports/enforcement-lottery-2021-2023

faced inherent insecurity in their homes through the possibility of a section 21 'no fault' eviction.

5.6 Landlords often use a section 21 eviction to gain possession of their property, as it is often perceived to be quicker and does not require them to give a reason for seeking possession. This leaves tenants with limited opportunities to challenge the possession notice and with as little as two months' notice to leave their home.

5.7 This instrument will commence measures in the RRA which will remove fixed-term assured tenancies and abolish section 21 'no fault' evictions. This will allow tenants to stay in their home for longer and challenge poor standards in their properties without fear of retaliatory eviction. Landlords will also benefit from clearer and expanded grounds for possession, for when there is a good reason to gain possession, while ensuring tenants are protected from arbitrary eviction and given enough time to find a new home.

5.8 In addition, this instrument commences measures in the RRA to enable tenants to challenge unreasonable rent increases. As rent review clauses will be prohibited for private rented sector tenancies, all private rented sector tenants will have the right to challenge a proposed rent increase at the First-tier Tribunal if they believe it is above the market rate. This will prevent rent increases being used as a means of backdoor eviction.

5.9 Tenants currently face significant affordability challenges when seeking a tenancy in the private rented sector – including through unaffordable requests for large amounts of rent in advance or being asked to compete in unfair bidding wars. This instrument commences measures which mean that a landlord will be prohibited from taking any rent before a tenancy agreement is signed, and will only be able to require up to one month's rent (or 28 days' rent for tenancies with rental periods of less than one month) in the window between a tenancy agreement being signed and before that tenancy begins.

5.10 This instrument also commences measures banning the practice of rental bidding. Once commenced, landlords and letting agents will be required to publish an asking rent for their property and will be prohibited from asking for, encouraging, or accepting any bids above this price.

5.11 Currently, tenants in private rented properties have no legal right to request a pet in their property, with full discretion left to the landlord. This instrument commences measures which will give tenants a right to request a pet in their property, which landlords must consider within 28 days of the request being made and cannot unreasonably refuse.

5.12 Local authorities and tenants currently do not always have sufficient tools and powers to take effective action against landlords who commit certain housing offences. This instrument commences measures to support both tenants and local authorities by expanding rent repayment orders (RROs) to new offences created by the RRA, increasing the amount of rent a landlord may be liable to pay a tenant or local authority from 12 to 24 months, and increasing the amount of time in which a tenant or local authority can seek a RRO after the breach has taken place from 12 to 24 months.

5.13 The instrument also extends liability for failing to obtain a local authority licence for a house in multiple occupation (HMO) or under a selective licensing scheme to superior landlords, subject to statutory defences, and it enables local authorities to serve improvement notices on superior landlords in appropriate circumstances.

5.14 In addition, members of the public cannot currently escalate complaints to the Local Government and Social Care Ombudsman about a local authority acting in its capacity as a social landlord, where the complainant has no right to raise complaints with the Housing Ombudsman Service. This instrument commences section 74 of the Renters' Rights Act to rectify this gap in the remits of the two services.

5.15 This instrument also includes provision to ensure a smooth transition from the previous tenancy system in the private sector to the new system.

5.16 This includes three key transitional provisions relating to rent increases:

5.16.1 First, Regulation 4 provides that where a tenant is entitled to make an application to challenge the tenancy's starting rent during the first six months of the tenancy under section 22 of the Housing Act 1988, but has not done so by 1 May 2026, an application made on or after 1 May 2026 must be made under section 14(A1) of the Housing Act 1988. This ensures that post-commencement law applies to all challenges made on or after 1 May 2026. Where an application has been made under section 22 before 1 May 2026 which has not been withdrawn, a tenant will be unable to challenge a tenancy's rent under new section 14(A1) of the Housing Act 1988 on or after 1 May 2026. This will prevent a tenant from challenging the starting rent twice during the same six-month period.

5.16.2 Secondly, Regulation 7 provides that a rent increase proposed by a landlord in a section 13 notice will not be able to take effect until 12 months have passed since the rent was last increased by rent review clause. This will ensure that a landlord cannot increase the rent twice within a 12-month period and that tenants whose tenancy agreements previously contained rent review clauses are not at risk of receiving two rent increases within a short space of time.

5.16.3 Thirdly, Regulation 8 applies where a section 13 notice is served before 1 May 2026 with a proposed rent increase that is due to take effect on or after that date. If a tenant applies to the First-tier Tribunal ("the Tribunal") to challenge the proposed rent increase on or after 1 May 2026, the Tribunal's determination must be made in accordance with pre-commencement law. This ensures clarity for landlords serving a section 13 notice pre-commencement about the law that will apply to any rent challenge application, irrespective of whether that application is made on or after 1 May 2026.

5.17 Regulation 5 of the instrument makes a saving provision. The effect of this saving provision is that in relation to a "legacy assured tenancy", the amendment made by paragraph 3 of Schedule 1 to the RRA to Schedule 2 of the Housing Act 1988, which creates a new possession ground where the landlord wishes to sell the dwelling-house, does not apply. A "legacy assured tenancy" is an assured tenancy which is entered into before 1 May 2026, other than an assured shorthold tenancy. The purpose of this saving provision is to ensure that these 'lifetime' tenancies (i.e. those granted as assured tenancies, rather than assured shortholds) will retain their higher-level security of tenure that both tenants expected and landlords granted. When the tenancy ends, the landlord will be able to grant a new assured periodic tenancy, in relation to which Ground 1A will be available.

5.18 Regulation 6 makes a transitional amendment to temporarily reduce the notice period for Ground 4A (student possession ground) from four to two months for notices served between 1 May 2026 and 30 July 2026 in relation to existing student tenancies to facilitate the usual letting cycle for the 2026/27 academic year.

5.19 Regulation 9 relates to the exemption for shared owners from the no-relet restriction after having used possession Ground 1A (the selling ground). Under new section

16E(2) and (3) of the Housing Act 1988, landlords cannot re-let (or market for re-let) a property within 12 months of using Ground 1 or Ground 1A. New section 16F(3) creates an exception for landlords that are shared owners who have relied on Ground 1A. One of the criteria for this exemption is that the landlord must have informed the tenant in writing before the tenancy began that the exemption may apply. To ensure shared owner landlords of existing tenancies (those entered into before 1 May 2026) can still benefit from this exemption, this transitional will allow landlords of those tenancies to meet this criterion, by providing a month-long window after 1 May 2026 in which they can inform the tenant in writing that the exemption may apply.

5.20 Regulation 10 relates to the homelessness re-application duty in section 195A of the Housing Act 1996. This waives the priority need requirement if an applicant becomes unintentionally homeless within two years of having their main housing duty under section 193 of that Act ended through a private rented sector offer of an assured shorthold tenancy. The regulation is preserved for cases where such an offer was accepted before 1 May 2026.

5.21 Regulation 11 makes provision to clarify the transitional arrangements in respect of amendments made by the RRA to the rent repayment order (RRO) regime. The pre-commencement law will apply to RRO offences committed before 1 May 2026 and the post-commencement law will apply to RRO offences committed after that date. Where offences are committed on an ongoing basis, such as a failure to obtain the required housing licence, and a person commits the offence for a continuous period beginning before and ending after 1 May 2026, the new law will not apply to the period during which the offence was committed before 1 May 2026 – it will only apply to the period from and including 1 May 2026.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument will implement measures provided for in the Renters' Rights Act (RRA) 2025, which delivers the government's commitment to overhaul the private rented sector. The key changes brought into force by this instrument are summarised below. Detail of all the changes made by the Renters' Rights Act can be found in the Explanatory Notes[5].

6.2 Regulation 2 of the instrument brings into force provisions in Chapter 1 of Part 1 (except section 25(3)) of the RRA 2025, from 1 May 2026, for the purposes of private sector assured tenancies only (that is, tenancies which are not social housing assured tenancies). Chapter 1 of Part 1 of the RRA 2025 makes various changes to the Housing Act 1988 (c. 50) ("the HA 1988"), including the abolition of fixed term and shorthold tenancies, so that all tenancies under that Act will now be assured periodic tenancies, and the abolition of "section 21 evictions" (also known as 'no fault evictions').

6.3 Regulation 3 brings into force Chapters 3 and 6 of Part 1, and sections 25(3), 58, 62, 74, 97, 98 (partially), 102 (partially), 103, 104 (partially), 105, 106, 107, 108 and 109 of the RRA 2025.

6.4 Chapter 3 of Part 1 contains provisions that make it unlawful for landlords and agents to engage in discriminatory conduct that would prevent those with children or who receive benefits becoming private sector assured tenants in England and that render discriminatory terms in tenancies, mortgages and insurance contracts of no effect.

[5] RRA Explanatory Notes – https://www.legislation.gov.uk/ukpga/2025/26/pdfs/ukpgaen_20250026_en.pdf

6.5 Chapter 6 of Part 1 contains provisions that prohibit "rental bidding". Landlords and letting agents will be required to publish an asking rent when marketing their property to let on a private sector assured tenancy. They will then be prohibited from inviting, encouraging or accepting offers of rent above this price.

6.6 Section 25(3) removes subsections (3) to (10) in section 193C of the Housing Act 1996 ("the HA 1996") in relation to duties owed to homeless households served notice due to their deliberate and unreasonable refusal to cooperate; so that the service of such notice would only end the prevention or relief duty, and not affect access to the 'main' HA 1996 section 193 duty owed to homeless households.

6.7 Section 62 amends Schedule 14 (buildings which are not HMOs) to the Housing Act 2004 (c. 34) ("the HA 2004") by inserting a new paragraph 3A (buildings occupied by students: England). The new paragraph gives the Secretary of State a power to specify educational establishments exempt from the requirement to get a local authority licence to rent a property as a house in multiple occupation (HMO) by reference to their membership of an approved code of practice, and the power can be exercised in the same way for private purpose-built student accommodation (PBSA).

6.8 Section 74 amends section 26 of the Local Government Act 1974 (c. 7) to allow the Commission for Local Administration in England to investigate complaints about local authorities, in their capacity as registered providers of social housing, where the complainant has no right to complain to the Housing Ombudsman.

6.9 Section 97 gives the Secretary of State power to give financial assistance to a person exercising functions under Part 2 of the RRA 2025, which makes provision for landlord redress schemes and the private rented sector database.

6.10 Section 98 amends Chapter 4 (rent repayment orders) of Part 2 of the Housing and Planning Act 2016 (c.22) ("the HPA 2016"). The amendments add offences created by the RRA 2025 to those in respect of which rent repayment orders (RROs) can be made, extend the period for applying for a RRO from 12 months to two years, and provide for repeat offenders to receive the maximum penalty. Regulation 3(g) does not commence section 98 so far as the amendments relate to offences under Part 2 of the RRA 2025.

6.11 Section 102 introduces Schedule 5, which makes provision about the procedure for local housing authorities to impose financial penalties in relation to rental discrimination, rental bidding, landlord redress schemes and the private rented sector database, appeals against and enforcement of such penalties, and how local housing authorities should deal with the proceeds. Regulation 3(h) does not bring the provisions into force so far as they relate to financial penalties relating to landlord redress schemes and the private rented sector database.

6.12 Section 103 amends Chapter 4 (rent repayment orders) of Part 2 of the HPA 2016. The amendments provide that RROs can be made against superior, as well as immediate, landlords and increase the maximum amount for which a RRO can be made from 12 months to two years' rent.

6.13 Section 104 amends Chapter 4 (rent repayment orders) of Part 2 of the HPA 2016. The amendments ensure that RROs can be made against the individual officers of landlord companies where offences are committed with their consent or connivance or, in some cases, are attributable to their neglect. Regulation 3(j) does not commence section 104 so far as the amendments relate to offences under Part 2 of the RRA 2025.

6.14 Section 105 amends sections 72 (offences in relation to licensing of HMOs) and 95 (offences in relation to licensing of houses under Part 3) of the HA 2004 to ensure that

landlords and licensors (including superior landlords and licensors) are within their scope.

6.15 Section 106 amends paragraph 2 of Schedule 1 (procedure and appeals relating to improvement notices) to the HA 2004 to give local housing authorities the ability to serve improvement notices for hazards on landlords and licensors (including superior landlords and licensors) of certain types of property if they consider that such a person ought to take the action specified in the notice.

6.16 Section 107 imposes a duty on every local housing authority to enforce the landlord legislation in its area. Subsection (5) defines "the landlord legislation" as Chapters 3 and 6 of Part 1 of the RRA 2025, Part 2 of the RRA 2025, sections 1 and 1A of the Protection from Eviction Act 1977 (c. 43), and Chapter 1 of Part 1 of the HA 1988.

6.17 Section 108 imposes notification requirements that a local housing authority must meet when it plans to take enforcement action in a different local housing authority's geographical area.

6.18 Section 109 imposes notification requirements that a county council that is not local housing authority must meet when it plans to take enforcement action in respect of a breach of, or offence under, the landlord legislation.

6.19 The instrument also includes transitional and saving provisions, primarily, to ensure a smooth transition for landlords, tenants and other stakeholders from the old to the new assured tenancy system, as explained at 5.15 to 5.21 above. Regulation 11 makes transitional provision in connection with the commencement of amendments to the rent repayment order (RRO) regime.

6.20 This instrument, which is the second set of commencement regulations made under the RRA, forms part of the following package of statutory instruments which were laid or published on 20 March 2026 with a commencement date of 1 May 2026:

6.20.1 The Assured Tenancies (Private Rented Sector) (Prescribed Forms and Transitional Provisions) (England) Regulations 2026

6.20.2 The Assured Tenancies (Private Rented Sector) (Written Statement of Terms etc and Information Sheet) (England) Regulations 2026

6.20.3 The Financial Penalties (Housing Offences and Breach of Banning Orders) Regulations 2026

6.20.4 The Housing Act 1988 (Assured Tenancies) (Definition of Legal Representative) (England) Regulations 2026

6.20.5 The Renters' Rights Act 2025 (Consequential Amendments) and Tenancies (Miscellaneous Amendments) (England) Regulations 2026

6.20.6 The Student Accommodation (Miscellaneous Provisions) (England) Regulations 2026

6.21 Collectively, these instruments constitute the first phase of implementation of the RRA 2025. The sequencing and rationale for this approach is detailed in the implementation roadmap for the RRA[6], which was published on 13 November 2025.

Why was this approach taken to change the law?

6.22 This is the only possible approach to make the necessary changes.

[6] https://www.gov.uk/government/publications/renters-rights-act-2025-implementation-roadmap

7. Consultation

Summary of consultation outcome and methodology

7.1 The reforms this instrument commences were developed on the basis of extensive engagement with tenants, landlords, councils and other groups with an interest in the private rented sector as well as previous government consultations. Some of these consultations include: 'Overcoming the barriers to longer tenancies in the private rented sector'[7], 'A new deal for renting[8]' and 'Considering the case for a Housing Court: call for evidence[9]'.

7.2 The transitional and saving provisions in this instrument were prepared following engagement with relevant stakeholders to ensure a smooth transition to the new system.

8. Applicable Guidance

8.1 Following Royal Assent of the Renters' Rights Act, the government published non-statutory guidance for landlords and letting agents to help them prepare for the introduction of the measures commenced by this instrument and the other relevant statutory instruments that come into force on 1 May 2026.

8.2 Further guidance and information for landlords, letting agents and tenants was published on 7 April[10] in advance of the instrument coming into force on 1 May 2026.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the impacts of the measures commenced by this instrument are covered in the Impact Assessment[11] prepared for the Renters' Rights Bill. However, a summary of the relevant impacts are noted below.

Impact on businesses, charities and voluntary bodies

9.2 The Renters' Rights Act brings both monetisable and non-monetisable benefits to the sector. Many of these benefits are linked to the measures being commenced in this instrument.

9.3 Tenants will gain £28 per household annually from these reforms, as improved tenure security reduces moves and their related costs. Short notice evictions, such as a section 21 eviction, are also linked to worse education outcomes, an inability to hold down stable employment and a lack of bargaining power to challenge poor standards, with the linked negative health and wellbeing impacts.

9.4 Landlords will also save time and money from fewer household moves, a reduction in void periods, and reduced need to use letting agents. These estimated benefits equate to a gross £9 per rental property per year.

9.5 The main monetisable costs from this instrument will fall on landlords and letting agents through familiarisation costs to understand the new requirements.

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[7] https://www.gov.uk/government/consultations/overcoming-the-barriers-to-longer-tenancies-in-the-private-rented-sector

[8] https://www.gov.uk/government/consultations/a-new-deal-for-renting-resetting-the-balance-of-rights-and-responsibilities-between-landlords-and-tenants

[9] https://www.gov.uk/government/calls-for-evidence/considering-the-case-for-a-housing-court-call-for-evidence

[10] https://www.gov.uk/browse/housing-local-services/renting-property

[11] https://www.gov.uk/government/publications/renters-rights-bill-impact-assessment

9.6 As most landlords have fewer than 50 employees and a turnover of less than £10 million, they would be considered as a small and/or micro business (SMB). Government has not exempted SMBs as this would undermine the policy intent of this instrument and the wider aims of the RRA.

9.7 To minimise these impacts, the government has undertaken an extensive communications programme in advance of the measures coming into force, including preparing extensive guidance to support landlords and letting agents to support compliance.

9.8 The main costs to the public sector will fall on the courts, tribunals and councils through new offences and increased case volumes. The government has undertaken a New Burdens Assessment and Justice Impact Test to understand the net additional costs and agreed to fund these. The government has already provided £18.2 million to fund new burdens on local councils in 2025/26, is providing £41.1 million in 2026/27, and is committed to funding new burdens in subsequent financial years. A further £49.65 million of new burdens funding has been announced across 2026/27 and 27/28 to support local councils with carrying out their homelessness duties as a result of the Renters' Rights Act. The department is also working with the Ministry of Justice to ensure the justice system has sufficient capacity to meet extra demand.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 We will monitor this legislation as part of our evaluation of the impact of our private rented sector reform programme and the Renters' Rights Act on achieving the government's aim to deliver a fairer, more secure and higher quality private rented sector.

10.2 This evaluation will make use of data collected through interviews, surveys and focus groups with tenants, landlords, letting agents, third sector organisations, delivery partners, and government officials. We will also use data from surveys such as the English Housing Survey and the English Private Landlord Survey data, as well as new data produced by the reforms themselves.

10.3 Reports will be prepared two and five years after the implementation date of 1 May 2026.

10.4 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Matthew Pennycook, has made the following statement:

"It would be inappropriate to include a statutory review clause as the government has already committed to an ongoing review of the impacts of the Renters' Rights Act, with plans to publish an evaluation two and five years after the implementation date of 1 May 2026."

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument not subject to parliamentary procedure, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").