DEEP DIVE GUIDES · WHERE THE SEASONED MONEY GOES

LETTING AFTER SECTION 21

The working landlord's operating manual for the Renters' Rights Act.

Section 21 is gone, every tenancy is periodic and the possession, rent and paperwork rules have been rewritten. This guide walks the portfolio landlord through the new regime in force since 1 May 2026: how tenancies now run, how possession really works, what the money rules permit, and the habits that keep you out of the tribunal.

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THE GROUND HAS MOVED

The biggest rewrite since 1988

The Renters' Rights Act is not a tweak to the old regime but its replacement; landlords who learn it properly will find it workable, and those who wing it will find it expensive.

On 1 May 2026 the Renters' Rights Act 2025 took effect in England and, in a single day, converted every assured shorthold tenancy in the country into an open-ended periodic tenancy. Fixed terms are no longer merely unenforceable; purporting to grant one can attract a civil penalty of up to £7,000. Section 21 is abolished for new and existing tenancies alike, with a short transition window for notices served before commencement that closes on 31 July 2026, after which any unenforced pre-Act notice lapses. From here on, possession runs exclusively through the revised Section 8 grounds, rent increases run exclusively through the statutory Section 13 process, and tenants may leave at any time on two months' notice, from day one of the tenancy if they choose.

Why this guide, and why now? Because the Act arrives in phases and the current lull is deceptive. Phase one, the tenancy reforms, is already law; phase two, from late 2026, brings the private rented sector database and the landlord ombudsman, with certain possession grounds unavailable to landlords who have not registered once registration becomes mandatory. A Decent Homes Standard for the sector follows later still. The landlords who suffer under new regimes are rarely the deliberate rogues, who ignore everything anyway; they are the ordinarily decent operators who miss one prescribed form or one deadline. The Act has been designed so that paperwork failures block possession. Mastering the paperwork is therefore not administration; it is the strategy.

BY NUMBERS

- 1 May 2026 - the day every AST in England became a periodic tenancy and Section 21 died
- 31 July 2026 - last day to issue court proceedings on a pre-Act Section 21 notice
- £7,000 - civil penalty for key breaches, including failing to serve the official information sheet by 31 May 2026
- 3 months - rent arrears now required for the mandatory Ground 8, up from 2, with 4 weeks' notice
- Late 2026 - rollout of the PRS database and landlord ombudsman begins

THE NEW MACHINERY

How a tenancy now runs

Open-ended by default, terminable by the tenant at will, and terminable by the landlord only for cause: the mechanics reward landlords who select carefully and manage well.

The periodic tenancy is now the only product. It runs month to month with no end date, and the tenant can serve two months' notice at any time, expiring at the end of a rent period; a tenant can, in principle, give notice in week one. Break clauses are redundant and rent review clauses are void, including reviews agreed before commencement but taking effect after it. Rent in advance beyond the first period cannot be demanded on new tenancies, which removes the traditional comfort blanket for marginal applicants, and rental bidding is banned: you must advertise a price and may not accept more. Discriminating against applicants with children or on benefits is prohibited, and a tenant now has a statutory right to request a pet, which the landlord cannot unreasonably refuse, though insurance can be required.

What does careful selection look like when six months' rent up front is off the table? Referencing does the work the deposit used to share: verified income, employer and previous-landlord checks, and guarantors where income is thin. The Act does not restrict guarantors, and a properly drafted guarantee is now the single most valuable underwriting tool in the private landlord's kit. Documentation matters at the front door too: the deposit must be protected and the prescribed information served, because failure now blocks a Section 8 possession claim on most grounds until remedied, and the official Renters' Rights information sheet must be given to every tenant. Think of the file you build at the start of a tenancy as the case bundle for a possession claim you hope never to bring; assembled on day one, it costs an hour, but assembled in a crisis, it costs the claim.

RULE OF THUMB

Under the old law a mistake cost you a delay; under the new law it costs you the ground. If a form, a deposit step or a registration is prescribed, treat it as a condition of getting your property back, because in most cases that is exactly what it now is.

WHEN IT GOES WRONG

The Section 8 map

Possession has not been abolished; it has been re-routed through grounds you must prove, on notice periods you must respect.

The grounds that matter to the private landlord form a short list. Arrears lead it: the mandatory Ground 8 now requires at least three months of unpaid rent (thirteen weeks if rent is weekly) both when the notice is served and at the hearing, on four weeks' notice, and arrears caused solely by delayed Universal Credit to which the tenant is entitled do not count. The discretionary Grounds 10 and 11 remain for lesser or persistent arrears. Anti-social behaviour under Ground 14 has been broadened to conduct capable of causing nuisance, with notice able to be served immediately. And two grounds do the work Section 21 used to do: Ground 1, occupation by the landlord or close family, and the new Ground 1A, sale of the property. Both carry four months' notice, cannot be used in the first twelve months of a tenancy, and carry restrictions on re-letting after use; misusing a ground knowingly or recklessly is itself a penalty offence.

The practical consequences are worth stating plainly. First, arrears management must start earlier: with a three-month threshold and four weeks' notice, a landlord who waits for the threshold before engaging is already four months from a hearing date on a good day, so the conversation, the payment plan and the evidence trail start at the first missed payment. Second, an intention to sell or move in must be genuine and documented, because tenants, councils and the coming database will police it. Third, the court remains the bottleneck the government has promised to fix; until it does, the premium on avoiding possession through good selection and early engagement has never been higher.

Ground	Type and notice	What it requires
8 - serious arrears	Mandatory - 4 weeks	3 months' rent unpaid at notice and hearing
10 / 11 - other arrears	Discretionary - 4 weeks	Some arrears, or persistent late payment
14 - anti-social behaviour	Discretionary - immediate	Conduct capable of causing nuisance
1 - landlord or family moving in	Mandatory - 4 months	Genuine intent; not in first 12 months
1A - sale of the property	Mandatory - 4 months	Genuine intent to sell; not in first 12 months

Summary of the principal amended grounds under the Renters' Rights Act 2025, in force from 1 May 2026. Deposit compliance is a precondition for most grounds. Commentary differs on some notice periods; verify the current prescribed form before serving.

Raising rent the only legal way

Market rents are not capped, but the route to them is now a single statutory path with a form, a notice period and a tribunal at the end of it.

There is one mechanism: a Section 13 notice on the new prescribed Form 4A, no more than once every twelve months, giving at least two months' notice of the new rent. Contractual rent review clauses are void, so a portfolio's rent diary now needs managing centrally: the anniversary of each last increase, minus two months, is the service date, and missing it by a quarter costs you a quarter's uplift forever. The tenant may refer the proposed rent to the First-tier Tribunal, which assesses the open market rate; under the Act the tribunal cannot set a rent higher than the landlord proposed, which removes the old deterrent against frivolous referrals, and a referral defers the increase. Expect referral rates to rise, and price accordingly: a defensible increase supported by three comparable listings will survive the tribunal, while an ambitious one invites a delay that costs more than the difference.

The rest of the money rules are quickly stated but easily tripped over. Advertised price is a ceiling, not an opening bid; accepting an offer above it is a breach. Rent in advance beyond the first period cannot be required on tenancies granted after commencement. Deposits remain capped under the Tenant Fees Act at five weeks' rent for most tenancies, and the prohibition on miscellaneous fees stands. And the enforcement environment has hardened: civil penalties of up to £7,000 attach to a widening set of breaches, rent repayment orders have been extended, and once the PRS database arrives, a landlord's compliance history becomes visible infrastructure. The economics of cutting corners, never good, are now plainly negative.

COMPLIANCE CHECKLIST

At the start: protect the deposit and serve prescribed information; serve the Renters' Rights information sheet; record condition with a dated inventory; verify the advertised rent was the rent agreed; diary the first possible Section 13 date.

Every year: serve Form 4A two months before the intended increase with comparables on file; renew gas and electrical certificates; review the licensing position; keep arrears logs contemporaneous; prepare for database registration when your region opens.

Running the portfolio day to day

The Act redistributes work from the eviction end of the tenancy to the selection and management end; landlords who reorganise around that fact will barely notice the difference.

Standards enforcement is the quiet half of the reform. Awaab's law principles are being extended to the private sector, with financial penalties for unaddressed serious hazards taking effect through 2026, and the Decent Homes Standard will follow in a later phase; the direction is that condition failures become enforcement events rather than negotiating points. The sensible response is a maintenance posture that is proactive rather than reactive: damp and mould dealt with at first report and documented, repairs logged with dates, and a contractor bench that can produce an invoice trail. The same file that protects the tenant protects the landlord, because in any dispute before the coming ombudsman, the party with the contemporaneous records wins.

Agents deserve a hard look in this new world. A good one is now processing prescribed forms, statutory notices, database entries and ombudsman correspondence on your behalf, and errors are yours in law even when they are the agent's in fact; interrogate their Renters' Rights training, their form-handling process and their arrears escalation timeline before renewing a management contract, and treat a cheap fee attached to a vague answer as the most expensive option on the table. Self-managing landlords should join a landlord association for the document templates and helpline alone. And whichever route you take, resist the temptation to disengage from the sector because the rules have changed: the same Act that raises your compliance burden is thinning your competition, and thinning competition is rental pricing power.

Task	Old world	New world
Ending a tenancy	Section 21, no reason	Section 8 ground, proved
Rent increase	Review clause or renewal	Form 4A, once a year, 2 months' notice
Fixed terms	6 or 12 month AST	Abolished; periodic only
Rent in advance	Common for thin covenants	Barred beyond first period (new lets)
Tenant exit	End of fixed term	Any time, on 2 months' notice

EARNED THE HARD WAY

The investor's playbook

The Act rewards precisely the habits good landlords already had; here they are, sharpened for the new regime.

The Renters' Rights Act is survivable, and for professional operators it may prove profitable, because it prices out the casual and the careless. The work has moved: from the back end of the tenancy, where Section 21 used to forgive every error, to the front end, where selection, referencing and paperwork now determine whether you ever see the inside of a courtroom. Build the file on day one, manage arrears from the first missed payment, run the rent diary like a business process, and treat every prescribed form as load-bearing. Do those four things and the new regime is an operating manual, not a threat.

TEN HABITS OF THE SEASONED POST-SECTION-21 LANDLORD

- References as if there were no deposit and no possession route, because both are now harder to reach.
- Uses a guarantor wherever income cover is thin; it is the strongest tool the Act left untouched.
- Serves the information sheet, protects the deposit and files proof before the tenant collects keys.
- Diaries every tenancy's Section 13 date and serves Form 4A with three comparables attached.
- Advertises the rent it means to achieve; the asking price is now also the ceiling.
- Engages at the first missed payment and keeps every arrears conversation in writing.
- Documents intent before using the moving-in or selling grounds, and never uses them tactically.
- Fixes damp and mould at first report and photographs the repair.
- Audits its agent's Renters' Rights competence annually, and changes agent if the answers are vague.
- Registers on the PRS database early and treats a clean public record as a marketing asset.

KNOW YOUR EXIT

The bigger picture

Two more phases of the Act are coming, the courts are the acknowledged weak point, and the supply consequences are already visible in the rental data.

The roadmap from here is published, if approximate. Late 2026 brings the first regional rollout of the PRS database, with mandatory landlord registration to follow, and the ombudsman service alongside it; a later phase applies the Decent Homes Standard and further condition rules to the sector, with implementation stretching towards the 2030s. Layered across it are the obligations arriving from other directions: EPC C by October 2030 under the Warm Homes Plan, Making Tax Digital reporting for landlord incomes phasing in from April 2026, and the separate property income tax rates from April 2027. Each measure individually is manageable; collectively they amount to the professionalisation of a cottage industry, and the government has been candid that smaller landlords who cannot meet the standard are expected to leave.

That exodus is the investment context. Fewer landlords chasing an undiminished tenant base is the simplest explanation for rents rising 3.3 per cent nationally in the year to June 2026 on ONS figures, with the North East at 6.3 per cent, even as the wider economy cooled. For the landlord who stays, the strategic questions are court capacity, on which the government has promised reform before further tightening, and the enforcement temperament of individual councils, which varies widely and is worth researching as carefully as yield. The Act has made the private rented sector a worse hobby and, quite possibly, a better business. Position accordingly.

QUICK REFERENCE

Item	Position at the time of writing	Source and date
Commencement	Tenancy reforms in force	1 May 2026
Section 21	Abolished; pre-Act notices lapse after 31 July 2026	RRA 2025, Sch 6
Tenancy type	Periodic only; fixed terms void; £7,000 penalty	RRA 2025
Tenant notice	2 months, any time	RRA 2025
Ground 8 arrears	3 months' arrears; 4 weeks' notice; UC delay carve-out	RRA 2025
Moving-in / sale grounds	4 months' notice; barred in first 12 months	Grounds 1 and 1A
Rent increases	Form 4A, once yearly, 2 months' notice; tribunal cap at proposed rent	Section 13 as amended
Bidding and advance rent	Bidding banned; advance rent barred on new lets	RRA 2025
Information sheet	Was due to all tenants by 31 May 2026	MHCLG guidance
Database and ombudsman	Regional rollout from late 2026	MHCLG roadmap, Nov 2025

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