

| The mortgage works

Navigating the Private Rented Sector in 2026.

With Suzanne Smith
founder of The Independent Landlord



Agenda

This presentation was used as part of the Navigating the Private Rented Sector 2026 webinar.

Content developed by Suzanne Smith.

January 2026.

01 Introductions

02 Renters' Rights Act: Understanding what's coming

03 What's happening with EPCs?

04 Tips for Making Tax Digital

05 Q&A

Introducing Suzanne Smith

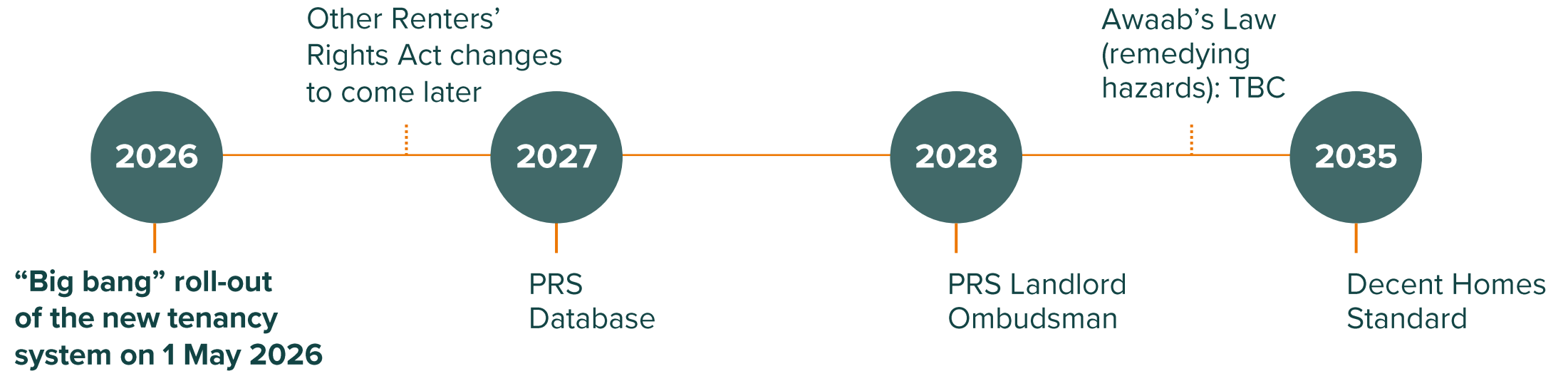
- Worked as an in-house solicitor for 25 years
- Portfolio landlord in Kent since 2019
- Set up The Independent Landlord in 2022 to help landlords
- Free weekly newsletter now has around 15,000 subscribers
- Also have paid membership:
The Independent Landlord Hub

For more information see the
theindependentlandlord.com/themortgageworks



Renters' Rights Act: Understanding what's coming

Roll-out of Renters' Rights Act starts in 2026



How tenancies are changing on 1 May 2026

- 1 On 1 May 2026, all **ASTs** will turn into **Assured Periodic Tenancies (APTs)**.
- 2 Existing fixed terms will become periodic.
- 3 Fixed terms and minimum periods will be banned.
- 4 No more “renewals”.
- 5 The AST and the APT will be considered as **one continuing tenancy**.
- 6 Tenants can serve 2 months’ notice to quit from 1 May.
- 7 All new tenancies will need **written statement of terms**.
- 8 New rules for each stage of tenancy.

Changes to setting and receiving rent from 1 May

**Must state
“proposed rent” in
listings and offers**



**Cannot ask for or
accept offers above
this (rental bidding)**



**Tenants can't pay
rent until agreement
entered into
(Tenant Fees
Act breach)**



**Maximum rent
period of one month**



**Rent to be due on or
after first day of rent
period for new
tenancies**



**Any clauses in new
tenancies with rent
in advance will be
invalid**



**Tenants can still pay
rent in advance
voluntarily, after
tenancy starts**



Increasing rent from 1 May

Only valid way to increase rent will be using Section 13 process



Must serve new Form 4A with at least 2 months' notice



Tenants will be able to challenge rent increase in tribunal



Can negotiate rent increase after serving Form 4A



Rent review clauses will be unenforceable



Cannot change rent by addendum, unless serve Form 4A



Cannot increase rent via a “renewal”



New rules for evictions from 1 May

1

Cannot serve Section 21 “no fault evictions” notices from 1 May

2

Will have until 31 July to issue claim form for pending s. 21 notices

3

From 1 May, must only use valid grounds under Section 8 Housing Act 1988

4

Grounds include selling up, moving in, rent arrears, student HMOs

5

Civil penalty of up to £7,000 if try to evict any other way



Other tenancy reforms on 1 May



- 1 Banning of “rental discrimination” against families and benefit claimants.
- 2 New implied right for tenant to have a pet.
- 3 Local authorities will have extensive powers of investigation.

- 4 Civil penalties of up to £7,000 for breaches of most provisions.
- 5 New offences with civil penalty up to £40,000.
- 6 Rent repayment orders for 13 offences for up to 2 years’ rent.

What landlords need to do by 31 May for existing tenancies



Serve 'Information Sheet' detailing reforms on existing tenants as at 1 May

- Will be published on GOV.UK in March
- Get proof of service as there is a civil penalty if it's not done



If there is no written tenancy agreement, serve "Written Statement of Terms"



If you wish to use new Ground 4A (HMOs with full time students), you must serve statement on tenants

What landlords do NOT need to do



**Re-issue tenancy
agreements**



**Re-serve
documents**



**Re-register
tenancy deposits**



**Repay rent
paid in advance
(unless tenant leaves)**



Getting ready for 1 May

- Understand the new rules:
 - Free resources on The Independent Landlord
 - Great guidance on MHCLG 'Renting is Changing' hub
- Go on an inspection to check property condition and chat to tenants
- Mention the reforms to your tenants, especially those in fixed terms
- Don't renew fixed terms now; let tenancy become periodic
- What will your approach be to pets?
- Do you need to change your selection criteria?
- Get Assured Periodic Tenancy template for NEW tenancies from 1 May

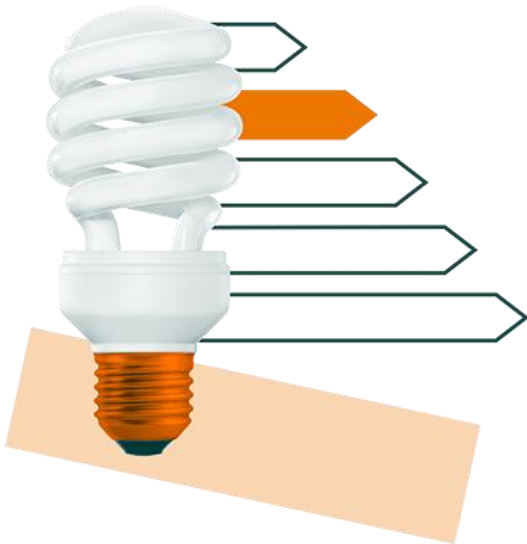
For more information see the
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What's happening with Energy Performance Certificates (EPCs)?

Changes to minimum energy performance standards in PRS

- **Announced 21 January 2026**
- **All domestic private rented properties in England and Wales must have an EPC C or an exemption by 1 October 2030**
- **Key exemptions:**
 - Cost cap of £10,000 for expenditure since 1 October 2025.
 - Cost cap is 10% of value, if property is worth less than £100,000.
 - Solid wall insulation – can refuse to install.
 - Third party consent has been refused, eg. freeholder, tenant, planning.
 - Negative impacts.
 - ‘All relevant improvements made’.
- **Some grants available**



The way energy performance is measured will change

1 New Home Energy Model for EPCs to replace current cost-based methodology.

2 Detail subject to consultation.

3 Must meet **Fabric Performance Metric** – insulation, windows etc.

4 Landlord can choose the second metric:
Heating System Metric

- Systems with high efficiency and low carbon emissions, eg. heat pumps will achieve a C rating.
- Gas boilers will not achieve a C rating.

Smart Readiness Metric

- “Micro-generation”, eg. solar panels.
- Smart meters.
- Electric battery.

5 Subject to the exemptions.

For more information see the
theindependentlandlord.com/themortgageworks

Transition arrangements for minimum energy performance standards

1

All new EPCs from 1 October 2029 will be measured using Home Energy Model

2

Properties with EPC C before 1 October 2029 will be “grandfathered” until expiry

3

10-year validity to be retained for EPCs

4

Government consulting on whether expired EPCs must be renewed for ongoing tenancies

5

Must achieve EPC C or exemption by 1 October 2030

For more information see the
theindependentlandlord.com/themortgageworks



Tips for Making Tax Digital

What is Making Tax Digital (MTD)?

MTD is HMRC's tax digitisation programme for income tax

Starts rolling out for unincorporated landlords on 6 April 2026

Landlords in scope will need to keep digital records of income and expenses

Will need to use MTD approved software to submit quarterly figures

At end of tax year, will need to use the software to submit tax return

List of software to choose from on HMRC website (link in my MTD blog post)

For more information see the
theindependentlandlord.com/themortgageworks



The roll-out of MTD

Determined by amount of “**qualifying income**” from property and sole trader self-employment

Qualifying income does not include:

- Income from employment (PAYE) or pensions
- Interest payments from savings
- Dividends

Will need to use MTD software when qualifying income is over:

- £50,000 >> 2026-27 tax year
- £30,000 >> 2027-28 tax year
- £20,000 >> 2028-29 tax year

Tips to get ready for MTD

- 1 If you're in the first wave, speak to your accountant and choose software.
- 2 Digitise your records: keep digital copies of receipts.
- 3 Set up a separate bank account to make it easier to reconcile bank feed.
- 4 If you use letting agents, ask how they will provide you with digital receipts that detail gross rental income and expenses.
- 5 Don't leave it to the last minute as it can take time to set up and get used to.



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