

Renters Right Act 2025 and School Property

Introduction

This briefing note provides an update to landlords on granting tenancy agreements to a potential tenant in a school dwelling, for example a former caretakers house and the tenancy is not linked to the tenant's employment, since the Renters Right Act 2025 has been passed.

Renters Right Act 2025

The measures in the Act are being introduced in three phases.

Phase 1 came into force on 1 May 2026 and introduced the following changes:

- It is no longer possible for a landlord to serve a 'no fault' section 21 notice to regain possession of their property at the end of the fixed term. Landlords will only be able to obtain possession of their property by using a particular ground as set under section 8 of the Housing Act 1998 or if a tenancy is terminated by the tenant on two months' notice.
- Assured Shorthold Tenancies (ASTs) have been abolished. Tenants will instead have periodic tenancies (i.e. rolling).
- Any new tenancy agreement entered on or after 1 May, will be an assured periodic tenancy (APT). These run on a rolling basis, for example, weekly or monthly. There will be no fixed terms (i.e. 12-month contract). A landlord is not required to make amendments to an existing AST or issue a new tenancy agreement. These will automatically convert to a periodic

tenancy – a landlord won't need to enter new documentation.

- Rent increases are limited. Landlords will only be able to increase rent once in a 12-month period and tenants will be able to challenge this to the tribunal if they believe such increase is not in line with market rents. Any rent increase clause in a tenancy agreement will be void as the landlord will need to serve a prescribed form notice to action this.
- Landlords must give all their existing tenants information about the changes made by the Act. The government has produced an Information Sheet which is available online: The Renters' Rights Act Information Sheet 2026. A landlord must give this Information Sheet by 31 May 2026 or could be fined up to £7,000.
- A prospective tenant must be given a written statement of terms before a tenancy is entered. The government has published a list of information which is available online and must be provided: Written information that must be given to tenants.

Phase 2 is expected to come into force late 2026 and will bring further reforms including the introduction of a database requiring landlords to register their details and launch of an ombudsman.

It is not yet clear when Phase 3 will commence but could include introduction of the decent homes standard to ensure that properties meet minimum standards with enforcement action available for local authorities and extension of Awaab's law.

Impact on Schools as a Landlord and Service Occupancy Agreements

It is becoming increasingly common for schools to let out schoolhouses to private tenants, including teachers or school staff, where the occupancy is not linked to the tenant's employment. As the Act has abolished s.21 notices, schools can no longer rely on simple notice periods to recover possession unless specific grounds are met.

Often a school has a service occupancy agreement (SOA) in place, a standard document that facilitates a tenancy between an employer and an employee. The SOA grants the employee a personal licence to occupy a property, explicitly stating that no landlord and tenant relationship is formed. The possession is linked to the employment contract (which should contain a condition requiring the employee to reside in the property for the better performance of their duties) and if the employment ends, the right to occupy ends automatically. These grounds remain largely unchanged by the Act.

For schools, the key issue is to distinguish whether there is a genuine service occupancy as opposed to an assured tenancy or service tenancy as the latter two fall under the full weight of the new legislative reform.

An SOA should not be used if the arrangement is not genuinely tied to the employment as a school would then risk granting the occupier full tenancy protections under the Act.

To create a genuine SOA, schools should ensure that occupation is expressly linked to the employment, the employment contract states this, the rent is nominal or ancillary to the employment, the operational need is genuine and can be demonstrated if questioned by the Courts.

At times a school rents a schoolhouse to a teacher or other members of school staff, potentially as a perk of the job and not deemed essential to their employment. As the occupation is not linked to the employment such occupancy falls under the new Act as APTs.

If occupation is being provided as a perk it is likely to be treated as a taxable benefit and specific tax advice will need to be obtained, in particular if there is a subsidised rent.

Ground 5C is a mandatory possession ground allowing a landlord to evict a former employee who was provided tied accommodation as a condition of their job. The court will grant possession if the employment has ended or if the property is needed for a new employee. There are several conditions however which need to be met to exercise this ground including having given the tenant prior written notice at the start of the tenancy stating that possession might be recovered on this ground.

Granting a tenancy agreement to a teacher or member of school staff can create difficulties. Whilst they remain employed such an individual is bound by the employee code of conduct but as soon as the occupier is no longer an employee (as the employment has come to an end for whatever reason) they no longer have any duty of care and are not bound by any staff handbook. The school will need to rely on statutory possession grounds and court proceedings may be required to obtain possession even if the former employee presents a real safeguarding risk – which in itself is not a ground for eviction.

For a school this could have real implications, presenting safeguarding risks given the time and cost it can take to obtain possession under the Act, potentially taking a minimum of one to two years. Such a situation would probably be considered a breach of the statutory duty of keeping children safe in education.

Going forward schools should ensure they identify where there is a genuine SOA or not and ensure the arrangement is structured correctly from the outset to avoid inadvertently granting rights under the Act when not intended.

If a school wants to allow teachers to occupy (where it is not a service occupancy), the safest manner to achieve this is by offering occupation as a perk which is reflected in their employment contract. Specific employment advice will be required to vary the employment contract to reflect this.

To preserve possession rights the safest route for a school is to let out schoolhouses where there is a genuine service occupancy with residence being mandatory for the role, operational justification and the occupation is ancillary to the employment.

Charities Act 2011 considerations and Secretary of State Consent

If the landlord is a non-exempt charity, such as a Diocese, prior to granting the APT the charity must obtain and consider advice from an appropriate person to satisfy the requirements under the Charities Act 2011.

This does not need to be from a qualified surveyor (however in practice a surveyor may be the best type of person to advise the charity) but essentially the charity must be able to decide that they are satisfied (after considering the advice) that the terms of the APT (including the rent) are the best that could be reasonable obtained for the charity.

If the landlord is an Academy Trust, then they will be required to obtain the Secretary of State for Education's consent prior to granting the APT as required under the Academy Trust Handbook.

How we can help

Our specialist property team in our Education Department have experience with consulting on and preparing APTs.

The team are familiar with the regulatory requirements and can advise on the implications of these.

They can assist with the entire process, by providing advice on the legal requirements (including as mentioned above under the Charities Act 2011) and preparing and finalising the APT.

Our possessions team can also help with obtaining possession of a schoolhouse and our employment team can help with varying an employment contract.

Further Information

For further information, please contact:

Andrea Squires, Head of Department and Partner, on 0207 593 5039 or asquires@wslaw.co.uk.

Zahraa Ilmass, Senior Associate, on 0203 735 1939 or zilmass@wslaw.co.uk

Sonia Din, Senior Associate, on 020 7593 0326 or sdin@wslaw.co.uk

Zoe Wilson, Solicitor, on 020 7593 0216 or zwilson@wslaw.co.uk