Part 7 | Student Lets – Your Definitive Guide



In the seventh issue of our 10-part guide to the Renters' Rights Bill, we're looking at how the Bill is set to reshape the student lettings market.

Student tenancies have traditionally been short, predictable, and cyclical – but once the Bill becomes law, agents will need to rethink everything from tenancy length and guarantors, to rent payments and possession routes.

Here's what's changing, why it matters, and how to help your landlords prepare.

How Things Work Today

For years, student lets followed a well-established pattern:

1 | Fixed-term tenancies linked to the academic year.

2 | A Section 21 Notice served near the end of term to gain possession.

3 | Rent often paid by term or annually in advance.

4 | Parents or guardians acting as guarantors.

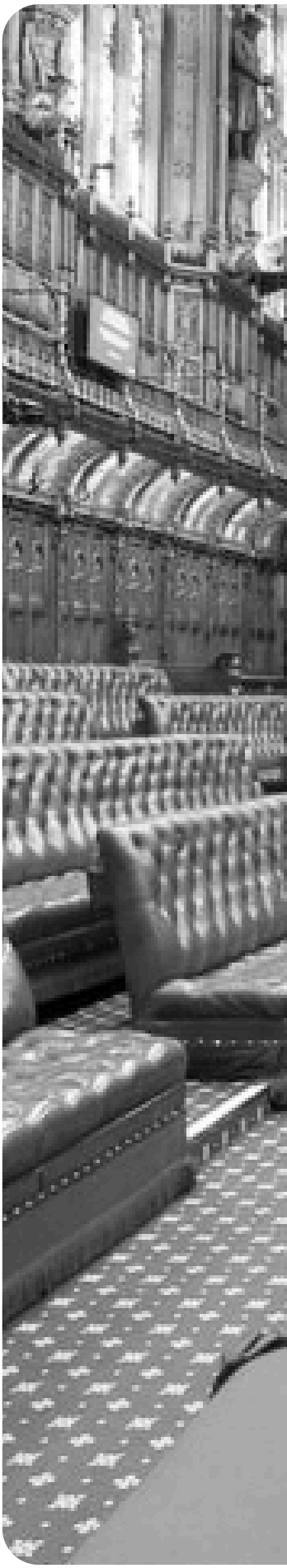
This model gave landlords certainty and agents clear annual cycles. But under the Renters' Rights Bill, key parts of this structure are set to disappear.



Students receive maintenance loans in three separate payments during the year. Many rents historically have been structured around the payment of maintenance loans. Those are the kinds of practical issues that matter and are acute if there is no understanding of the problems facing students.

Lord Willetts

What The Renters' Rights Bill Changes



1

FIXED TERMS AND SECTION 21 NOTICES

Section 21 notices and fixed-term tenancies will be abolished. Instead, all tenancies will become periodic, meaning landlords can no longer automatically reclaim properties at the end of an academic year.

2

PBSA EXEMPTION

Purpose-Built Student Accommodation (PBSA) retains a specific exemption: these providers can continue to offer fixed-term tenancies and regain possession at the end of the academic cycle. PBSA includes large-scale, professionally managed student housing developments covered by codes such as ANUK or Unipol.

3

NEW GROUND 4A

The Bill is set to introduce a new Ground 4A within Section 8, allowing private landlords of a student HMO to regain possession at the end of an academic year. However, this will only apply when all tenants are full-time students, on joint tenancies, and are informed in advance that the ground may be used.

4

RENT IN ADVANCE RESTRICTIONS

The Bill limits the ability for landlords to require rent in advance. There is currently no exemption for students, even though advance payments are common for those without UK-based guarantors.

5

INCREASED IMPORTANCE OF GUARANTORS

With upfront rent restricted, guarantors will become the main way to mitigate financial risk. Agents should prepare for an increase in guarantor requests and explore Professional Guarantors.



Guarantors play a crucial role in the rental market. They provide an essential layer of security, offering landlords the reassurance that the rent will be paid. That provision is especially helpful for individuals facing barriers, such as overseas students without UK credit records, or those who simply have no one to act as a guarantor.

Lord Jamieson

GUARANTORS AND GROUND 4A | A HIDDEN TRAP?

Parents who act as guarantors under a joint tenancy guarantee the whole tenancy — not just their child's share.

Whilst some landlords may consider switching to individual tenancies to limit that liability, doing so can create new problems.

Ground 4A, the new student-specific possession ground, applies where all tenants are full-time students and the landlord has given advance written notice that possession may be sought at the end of the academic year.

If each student has their own separate tenancy, it's currently unclear whether Ground 4A could still be used, but it certainly presents legal and practical risks. Also, individual tenancies will mean any student can leave mid-term, leaving rooms empty and harder to re-let once the academic year is underway.

So, while separating agreements may protect guarantors, it could also mean landlords lose both the streamlined route to regain possession and the group stability that keeps voids low.

> *Ground 4A exists precisely because we recognise the unique nature of the rental market. We have been clear: we do not want to deny to non-typical students the benefits of the new tenancy system under the Bill.*
>
> **Matthew Pennycook** | Housing Minister





> *The inability to negotiate upfront payments, as we have heard, will hit the self-employed, foreign students, those with a poor credit history and vulnerable people. It also risks a legal challenge under common contract law. What is needed is a commitment to build more affordable and social housing in the right places.*
>
> **Lord Truscott**



> *Student accommodation is a matter of considerable importance to many of us; indeed, it is an area of particular concern in this Bill. Ensuring that we have sufficient student accommodation, of the right type, available in the right places, and operating in line with the academic calendar, is vital.*
>
> **Baroness Scott of Bybrook**



> *Ground 4A was created in recognition of the unique, cyclical nature of accommodation for those in traditional higher education.*
>
> **Baroness Taylor of Stevenage**

Practical Advice For Agents

PROFESSIONAL GUARANTORS

When fixed term tenancies end, anyone acting as a guarantor for a tenant will be entering into an open-ended agreement which they can't themselves break. This could expose parents or friends to an eye-watering liability if the tenant is unable to pay the rent and doesn't surrender the tenancy; particularly if they are guarantor for the whole tenancy.

A Professional Guarantor allow tenants to pay a fee to a third-party company, which then acts as their guarantor. This is particularly useful for tenants without a UK based guarantor such as overseas students, as well as removing the risk of a personal liability. Meanwhile, the landlord still has the extra layer of security, backed by an organisation with verified means.

Looking Ahead

The Renters' Rights Bill will permanently change how student letting operates. While PBSA providers have retained a degree of flexibility, private landlords face new compliance hurdles.

Letting Agents that act early, by updating processes, reviewing clauses, and introducing professional guarantor support, will help clients stay ahead of the curve and avoid disruption during the 2026 transition.

Help From The Lettings Hub

At The Lettings Hub, we're here to support agents through every change the Bill brings. From professional guarantor services, Rent and Legal Protection to referencing, we can help maintain smooth student tenancies even as the law changes.

PBSA VS PRIVATE HMOS

PBSA operators can still offer fixed-term tenancies and reclaim possession annually.

However, private landlords with HMOs will need to rely on Section 8 grounds, including the new Ground 4A, which adds administrative complexity and legal risk.

Agents should ensure landlords understand this distinction and structure their tenancy processes accordingly.

Read more about the differences in our infosheet linked below!



Look Out For Future Issues In Our 10-Part Special

Watch out for our full series of info sheets – comprehensive guides to the changes we can expect in the Bill, including:

- Preparing For The Removal Of Section 21 Notices.
- Section 8 Notices | Expanded Grounds And Notice Periods.
- Rent In Advance | When It Is, And Isn't Allowed.
- Abolishing Fixed Term Tenancies | What You Need To Know.
- Increasing Rents Using A Section 13 Notice.
- Pets In Lets | Creating (And Protecting) Pet Friendly Tenancies.
- Students Lets | Your Definitive Guide.
- Renters' Rights Bill | Where Are We Now? Back In The House Of Lords.
- Decent Homes Standards And Awaabs Law.
- Rent Repayment Orders And Penalties.



BOX FROM THE LETTINGS HUB

At The Lettings Hub, we're always here to support you through the ever-changing lettings landscape. With the Renters' Rights Bill introducing new regulations, staying updated is crucial. That's why we offer a variety of resources to help you navigate these changes smoothly. From webinars and blogs to tailored guides, our platform is packed with expert insights. Be sure to follow us on LinkedIn and bookmark our Renters' Rights Hub for the latest updates, tips, and advice.

