



Rent Increases Explained

A Perry Bishop Guide for Landlords

Rent reviews are an important part of managing a rental property, but they must be handled carefully, fairly and in line with current legislation.

At Perry Bishop, our role is to help landlords achieve a sustainable, market-aligned rent, while maintaining good tenant relationships and ensuring full legal compliance particularly as the Renters' Rights Act come into effect.

Why Rent Reviews Matter

Regular rent reviews help ensure that:

- Your rental income keeps pace with the local market
- Rising costs of ownership and compliance are reflected fairly
- The property remains financially viable to maintain and improve
- Tenancies remain stable and sustainable

Avoiding rent reviews for long periods can lead to rents falling well below market level, which can create challenges later on.

What Is Market Rent?

Market rent is the typical rent achieved for similar properties in the same area, taking into account:

- Size, layout and condition
- Location
- Furnishings
- Current demand and supply

Setting rent in line with the market is key not only for fairness, but also for compliance under the new rules.

Rent Increases Under the Renters' Rights Act

The Renters' Rights reforms are designed to bring greater consistency and transparency to rent increases.

Key principles include:

- Rent increases will generally be limited to once per year
- Increases must be evidence-based and reflect market rent
- Proper notice must be served in the prescribed way
- Tenants will have clearer routes to challenge increases they believe exceed market value

This makes accurate market benchmarking and clear communication more important than ever.

Why Market Rent Benefits Landlords

Keeping rent aligned with the market can actually reduce risk:

- Lower challenge risk
Market-based increases are far less likely to be disputed.
- Stronger tenant retention
Smaller, regular adjustments are easier for tenants to plan for than large increases after long gaps.
- Better property care
Sustainable income supports ongoing maintenance, compliance and improvements.
- Future flexibility
A property already at market rent avoids sudden corrections if circumstances change.

How Perry Bishop Approaches Rent Reviews

When advising on rent increases, we:

- Analyse local market data and comparable properties
- Consider the condition and performance of your specific property
- Take tenancy length and tenant history into account
- Advise on a fair, defensible figure
- Serve notice correctly and manage communication professionally

Our aim is always to protect your position while maintaining a positive tenancy wherever possible.

Common Misunderstandings

- “I can increase the rent by any amount”
Rent must reflect market value and follow the correct legal process.
- “If I don’t increase now, I can catch up later”
Large jumps are more likely to be challenged and resisted.
- “Rent increases cause tenants to leave”
When handled reasonably and transparently, most market-level increases are accepted.

If a Tenant Challenges an Increase

Under the new framework:

- Tenants may challenge increases they believe exceed market rent
- Evidence and comparables are key
- Clear records and professional handling protect your position
- The rental amount will remain the same until tribunal complete and not back dated

We guide landlords through this process and help present a strong, fair case where appropriate.

In Summary

- Rent reviews should be regular, fair and market-led
- The Renters’ Rights Act places greater emphasis on transparency

- Market rent protects income and reduces risk
- Professional handling improves outcomes for all parties
- Perry Bishop ensures compliance, clarity and confidence

How Perry Bishop Can Help

Whether you're reviewing rent for the first time in years or planning ahead under the new legislation, our lettings team is here to provide clear advice and professional support.

This guide is for general information only and does not constitute legal or tax advice.