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Landlords Exit Rental Market as Fears Over Renters' Rights Bill Grow

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A growing number of small landlords are choosing to leave the private rental market, as uncertainty over the Renters' Rights Bill pushes them to sell their properties, a new industry survey has revealed.

Data gathered by Alto, a lettings software firm supporting over 25,000 agents, shows that 34% of letting agents have witnessed a noticeable increase in independent landlords deciding to exit the market altogether. The findings are part of a wider report based on responses from 250 letting professionals across the United Kingdom.

The proposed Renters' Rights Bill, which aims to ban fixed-term tenancy agreements and scrap Section 21 "no-fault" evictions, has sparked widespread concern within the property sector. Independent landlords, in particular, are said to be feeling the squeeze, with many claiming that the looming changes leave them with little confidence in the market's future.

According to the survey, 93% of letting agents are now worried about losing their independent landlord clients due to these proposed legal reforms. Moreover, 70% confirmed that some landlords had already offloaded properties over the past 12 months.

Many of the landlords stepping back from the market own just one or two rental homes. These are often purchased as part of a long-term retirement plan or inherited through family. For this group, mounting pressures are coming from several directions. These include higher mortgage rates, tighter energy efficiency standards, and increasing regulation.

Alto's chief executive, Riccardo Iannucci-Dawson, said: "Independent landlords are the lifeblood of the sector. If we lose them, tenants lose choice and stability – and we risk pushing rents even higher."

He also warned that letting agents are bearing the brunt of these changes. He added: "Letting agents are facing unprecedented pressure – from legislative upheaval to operational chaos."

Letting agents surveyed noted that their responsibilities are expanding beyond just property management. With frequent rule changes and ongoing reform discussions, many now spend additional time ensuring compliance and adjusting contracts to remain in line with evolving regulations. However, several agents argue that more government support is urgently needed to manage this transition effectively.

The Renters' Rights Bill has become a point of tension in the rental sector, particularly for those with smaller portfolios. Landlords feel they are being unfairly targeted and portrayed negatively in the public debate. This perception is influencing many to quit the market entirely.

Alto is now calling on the government to provide more clarity and guidance on how the Bill will be implemented and enforced. Without this, industry voices fear further damage to the rental sector, particularly as tenant demand continues to outstrip available supply.

The full details and timeline of the Renters' Rights Bill remain uncertain. However, the ripple effects are already being felt. Professionals are concerned that without a balanced and well-communicated approach, the sector could see further instability, with tenants and agents caught in the crossfire.