

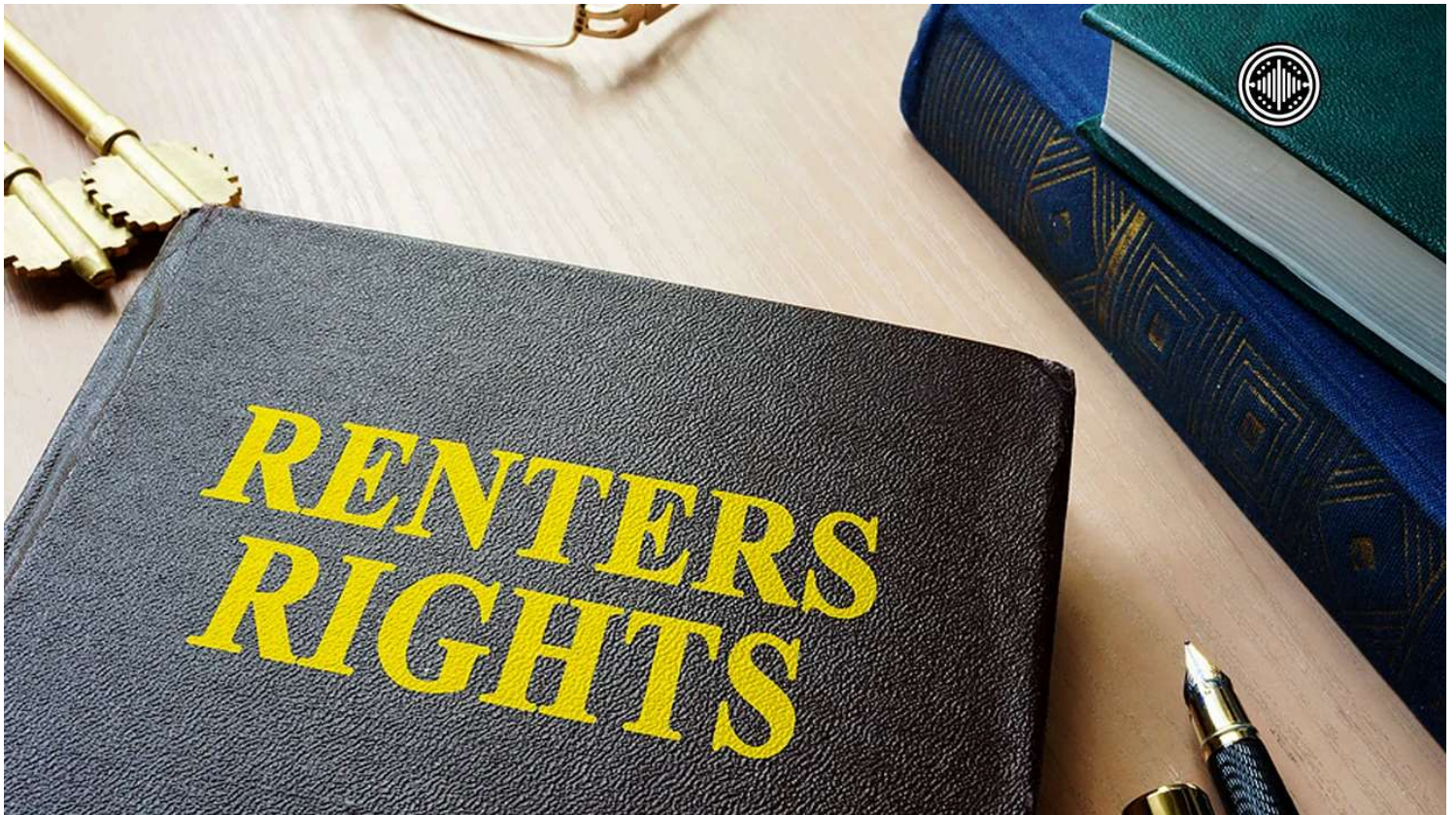
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New Report Suggests Renters' Rights Bill Could Strengthen Agency Sector

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A newly released report suggests that England's upcoming Renters' Rights Bill may not damage the rental sector as feared but instead offer new opportunities for letting agents and landlords. The findings are based on a detailed comparison with reforms already implemented in Scotland, which appear to have boosted professionalism and strengthened market resilience north of the border.

Property software provider SME Professional commissioned the report to assess the bill's likely effects, drawing direct comparisons with Scotland's Private Housing (Tenancies)

(Scotland) Act 2016. That legislation brought sweeping changes, including the removal of 'no-fault' evictions, indefinite tenancies, and tougher possession grounds. Landlord registration and increased regulatory oversight were also introduced.

The study concludes that Scotland's experience offers useful insights for the English market, particularly for those concerned about the impact of stronger tenant protections. According to SME Professional's Managing Director, Fraser Sutherland, "The Scottish experience demonstrates that robust tenant protections need not harm the rental market or agency businesses."

Steady Market Growth

Letting agents in Scotland have not only weathered the reforms introduced from 2017 but have often seen growth. SME Professional's data points to improved business performance in several areas. Higher rent levels, increased tenancy durations, and a growing demand for professional management services have helped agencies adjust to the changes.

"Our customers in England can be reassured that the upcoming reforms may not reduce business opportunities," Mr Sutherland added. "While regional variations across the UK will no doubt exist – between different regions or between types of landlords, on the whole, Scotland's experience suggests these changes could actually boost demand for professional services and foster a more stable, well-regulated rental market."

In 2024, more than 60 percent of Scottish landlords reported raising rents annually, up sharply from just 8 percent in previous years. A greater number of properties are now being let at or near market rates. This shift has helped to increase revenue streams for agencies operating in the sector.

Concerns that stricter regulation could trigger a decline in the private rental market have not materialised in Scotland. In fact, the report highlights expansion in the sector following the reforms. SME Professional noted that landlords have shown more confidence in turning to letting agencies to navigate the complexities of compliance.

"Fears that tighter regulation would lead to market contraction have not materialised," Mr Sutherland said. "The private rented sector in Scotland expanded significantly following tenants' rights reforms, with tenancy lengths increasing and landlord satisfaction remaining

high. Far from triggering an exodus, the new rules have led to greater professionalism and tenant stability.”

SME Professional, founded in 2011 by Fraser Sutherland and Robin Lyles, provides cloud-based software and website solutions for property agencies. The platform supports multiple functions, such as automated accounting, lettings, and sales, and focuses on process efficiency and regulatory compliance.

Following the report's publication, SME Professional collaborates with the Scottish Association of Landlords (SAL) to deepen its analysis. SAL, which represents more than 60 percent of letting agents in Scotland, is expected to contribute further insights through ongoing consultations and agent surveys.

John Blackwood, Chief Executive of SAL, welcomed the findings. “The growing legislative burden on agents in Scotland has not led to a reduction in managed properties. On the contrary, agencies have seen a slight increase in their overall portfolios. This trend indicates that, as regulatory requirements have become more complex, many landlords have opted for professional management services and have thereby strengthened agency business.”

The Renters' Rights Bill is in the final phase of the legislative process. It has already cleared the House of Commons and is currently under review by the House of Lords, with its Third Reading scheduled for late July. The House of Commons will then consider any amendments from the Lords starting September 8. The Bill is expected to receive Royal Assent by mid-September.

As letting agents and landlords prepare for the anticipated changes, the latest findings from Scotland suggest that with the right support and systems in place, the sector may continue to grow and adapt under a more regulated framework.