Summer 2026

Lettings Report

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Introduction

The Renters' Rights Act is now law, and the private rental sector is beginning to adjust to what that means in practice. After a long period of debate, landlords, tenants and agents are now dealing with the practical impact of reform: how requests are handled, how applicants are assessed, how risk is managed and how both sides understand their rights and responsibilities.

This report draws on responses from 717 landlords and 860 tenants to examine four areas where that change is already being felt: pets, referencing, deposits, and guarantors and insurance. Some changes, such as formal pet requests, remain low in volume for now. Others, particularly referencing and guarantor requirements, are already becoming more central to how landlords and agents make decisions. What emerges is a market where guidance matters more than ever. Landlords are looking for reassurance that they can still protect their property and income, while tenants need clearer information about affordability, deposits, guarantors and the options available to them. For agents, the role is no longer just transactional. It is about helping both sides understand the new rules, make informed decisions and keep tenancies moving in a more regulated market.

"This report shows a lettings market moving from policy debate into practical delivery. The Renters' Rights Act has changed the framework landlords and tenants are operating within, but the data makes clear that many of the real challenges are now about process, understanding and confidence.

"Formal pet requests may still be low, but pets are already an important factor for many tenants. Referencing is carrying more weight since the advance rent ban, while deposits, guarantors and rent protection are all becoming part of a wider conversation about how risk is managed fairly and responsibly.

"What stands out most is the need for clear guidance. Landlords want to know how to protect their property and make confident decisions. Tenants need to understand what will be checked, what support is available and what their options are if affordability, deposits or guarantors become an issue. That is where professional agents have such an important role to play. We can help both sides navigate the new landscape and support tenancies that are sustainable from the start."

Allison Thompson
Chief Lettings Officer
LRG

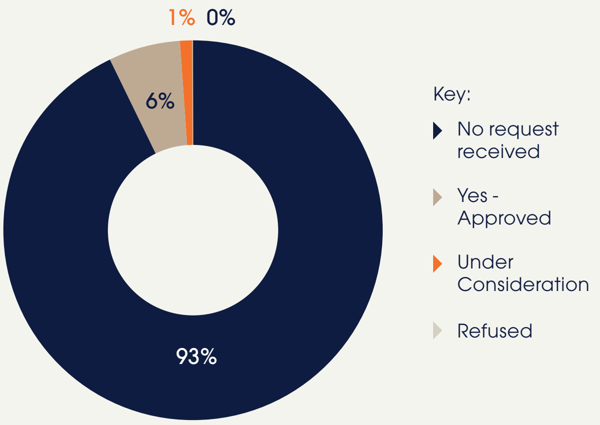
Pets in the Rental Sector: From Policy to Practice

Formal requests remain low, but pet policy is already influencing tenant choice

The right to request a pet is now part of the rental landscape, but the data shows it has not yet translated into high volumes of formal requests. For most landlords, the process has not yet become a day-to-day issue. For tenants, however, pets are already shaping decisions, with many either owning a pet, planning to get one, or only considering properties where pets are allowed.

The challenge now is practical: helping landlords understand how to respond fairly, what reasonable conditions can be used, and how to balance tenant demand with concerns around damage, cleaning and property suitability.

Since 1 May 2026, have you received a formal written pet request from a tenant?



Formal written pet requests remain rare at this stage. Fewer than one in ten landlords say they have received a request since 1 May 2026, suggesting the new process has not yet become a regular feature of day-to-day lettings. Where requests have been made, they have been more likely to be approved than refused, with 6% approved, 1% still under consideration and fewer than 1% refused. That is a useful contrast with earlier landlord sentiment. In April 2024, the proposed right to request a pet was the reform landlords were most concerned about, ahead of even the abolition of Section 21. The current data does not mean those concerns have disappeared, but it does show they have not yet translated into high volumes of formal requests, refusals or disputes.

From our April 2024 report

Q: Was the proposed change allowing tenants to request a pet positive or negative for you?

56% of landlords said it would have a negative impact, making it their biggest concern about the Bill. By comparison, 54% said the abolition of Section 21 would have a negative impact.

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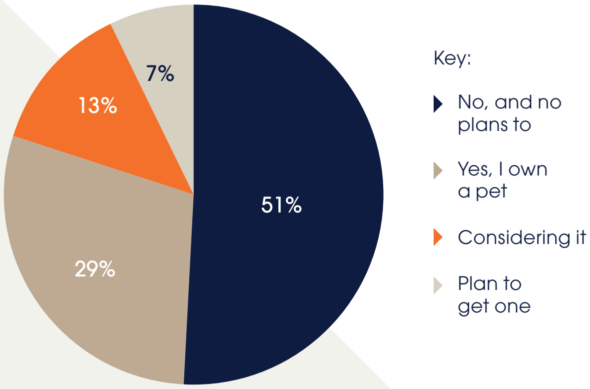
Do you currently own a pet, or are you planning to get one in the next 12 months?



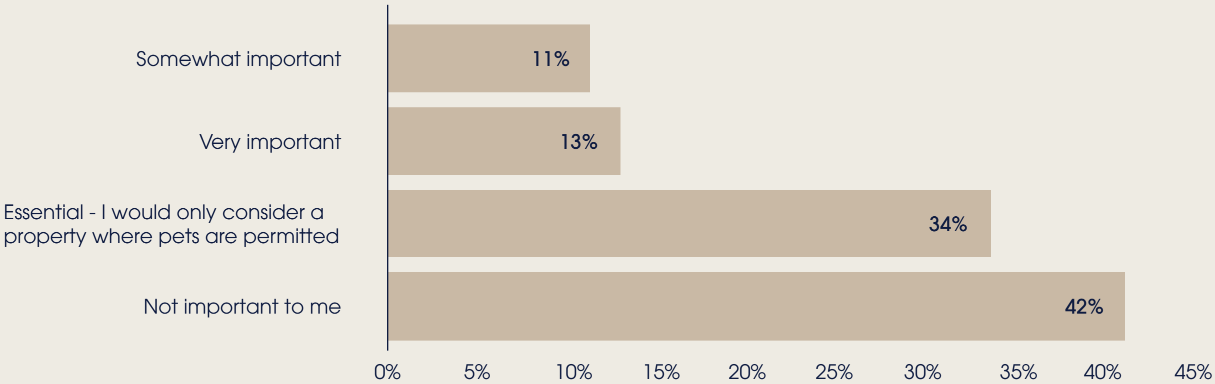
Just over half of tenants say they do not currently own a pet and have no plans to get one. However, pets are still relevant to a substantial part of the rental market. Nearly three in ten tenants already own a pet, while around one in five are either considering getting one or actively planning to do so in the next 12 months.

This helps explain why pet-friendly properties have already appeared in our previous research as a changing tenant preference. Pet ownership is not universal, but it affects enough renters to make it a recurring issue in enquiries, property searches and tenancy discussions.

From our January 2025 report

Q: How have tenant preferences changed in the last three years?
20% of landlords said they had seen more requests to keep pets. 18% of tenants said they were more inclined to keep a pet.

How important is the ability to keep a pet when choosing your next rental property?



For 42% of tenants, the ability to keep a pet is not important when choosing their next rental property. However, for others it is a major part of the decision. Around one in three say it is essential and would only consider properties where pets are allowed, while a further quarter say it is either very or somewhat important.

That gives useful context to the April 2025 finding that pets had already stopped some tenants securing their preferred home. The current results show why: pet-friendly accommodation is not a priority for every renter, but for those who need it, it can decide whether a property is even an option.

From our April 2025 report

Q: What has stopped you securing your preferred rental property?
20% of tenants cited pets as a barrier, making it the second most common issue behind being required to pay rent upfront at 21%.

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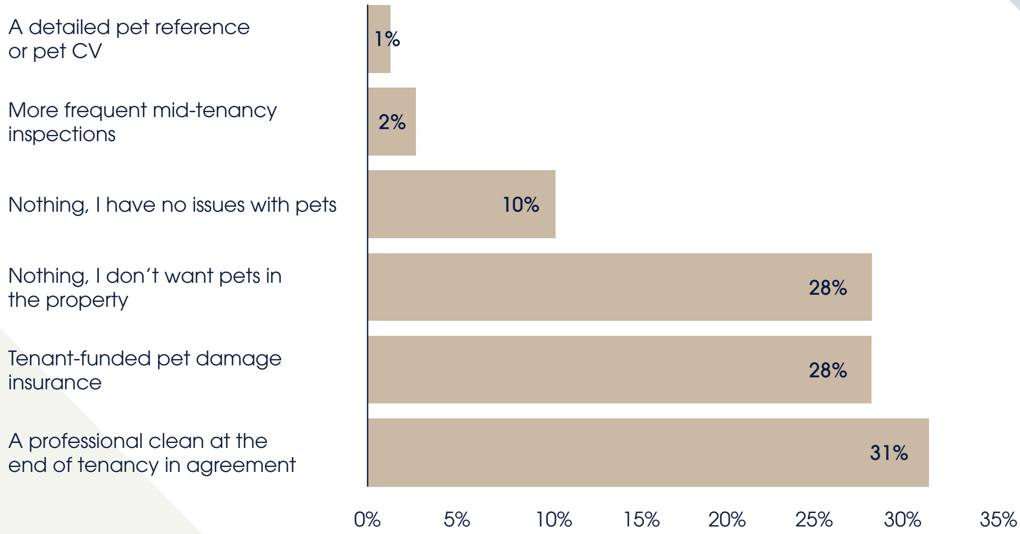
What would most increase your confidence in approving a tenant's pet request?



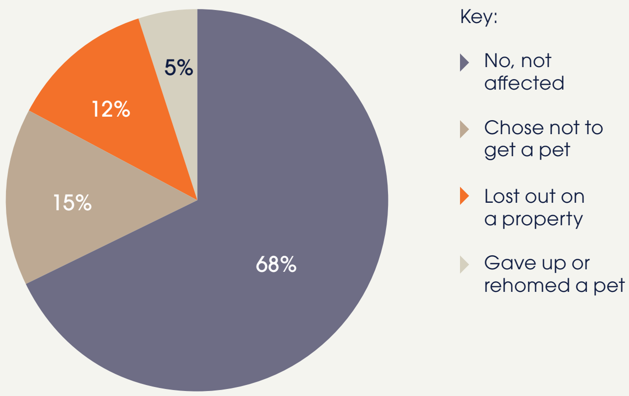
Landlords are most likely to be reassured by practical conditions that reduce perceived risk. Around one in three say a professional cleaning obligation would most increase their confidence, while 28% selected tenant-funded damage insurance. However, a similar proportion, 28%, say nothing would change their view because they oppose pets.

This is where the strongest opportunity for compromise appears.

Previous LRG research showed that only around half of landlords were likely to accept tenants with a pet, but that most tenants would be willing to pay for pet insurance if it helped them rent with one.

The latest results point to the practical measures most likely to help bridge that gap: clear cleaning obligations, damage insurance and properly documented pet agreements.

Before the Renters' Rights Act, did renting without the right to keep a pet affect you?



For most tenants, previous restrictions around keeping pets did not have a direct impact, with 68% saying they were not affected. However, almost one in three were affected in some way. Some chose not to get a pet they wanted, some lost out on a property, and 5% gave up or rehomed a pet. The data shows that while the issue did not affect the majority, it had significant personal consequences for a minority of renters.

From our April 2025 report

Q: How likely are you to accept tenants in the following circumstances?

49% of landlords said they were likely to accept tenants with a pet.

Q: Would you be willing to pay for pet insurance if it helped you rent with a pet?

81% of tenants said they would be willing to pay for pet insurance.

Referencing After the Advance Rent Ban

With advance rent no longer available, applicant checks are carrying more weight

Referencing has moved further into the spotlight following the advance rent ban. Landlords can no longer rely on higher upfront payments as an additional form of reassurance, which means the checks carried out before a tenancy begins are more important.

Our survey shows that almost nine in ten landlords either say referencing has become more important or rely on their letting agent, whose applicant checks would usually include referencing as part of the standard lettings process. For tenants, the picture is more balanced than might be expected. Many recognise that referencing can protect both sides by testing affordability before a tenancy begins.

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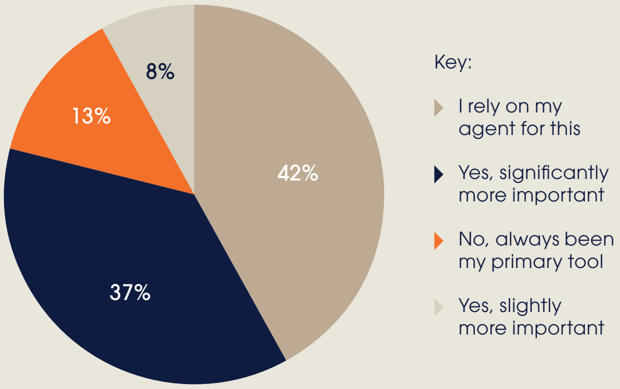
Since the advance rent ban, has tenant referencing become more important?



Our survey shows that the advance rent ban has made referencing a central part of landlord decision-making. Almost nine in ten landlords either say referencing has become more important or that they rely on their letting agent, whose applicant checks include referencing as part of the standard lettings process.

More than a third say referencing has become significantly more important, a further 8% say it has become slightly more important, and 42% rely on their agent. With advance rent no longer available, landlords are placing greater weight on the checks carried out before a tenancy begins.

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Does comprehensive referencing benefit tenants as well as landlords?

37%
Yes - benefits both equally

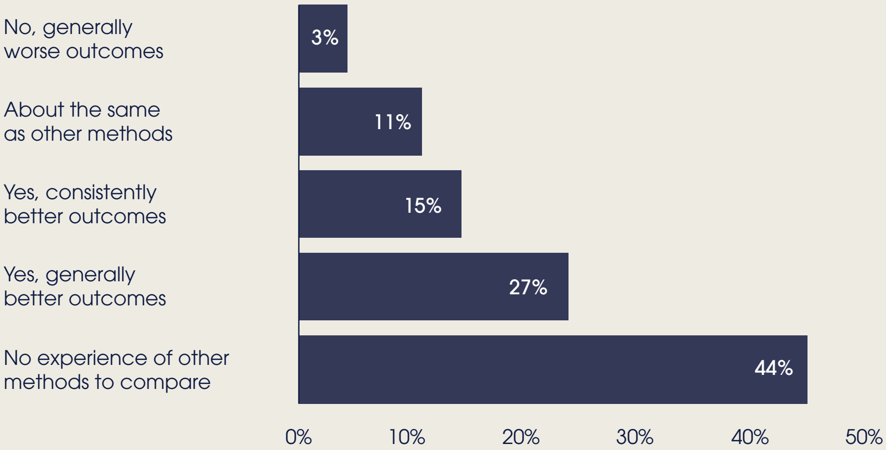
26%
No - primarily benefits landlords

21%
Yes - but more for landlords

16%
Had not considered both perspectives

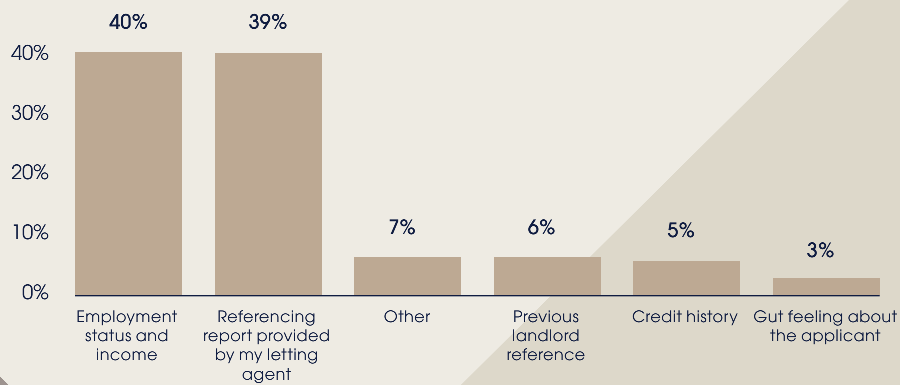
Tenant views on referencing are more balanced than might be expected. More than a third say comprehensive referencing benefits tenants and landlords equally, and a further one in five recognise some tenant benefit, even if they feel it benefits landlords more. Around a quarter see it primarily as landlord protection, while 16% had not considered that referencing could work for both sides. That is an important gap. Referencing is often seen as a hurdle for tenants, but it can also help confirm affordability before someone commits to a tenancy they may struggle to sustain.

Does professional referencing through a letting agent produce better tenancy outcomes than other methods?



For many landlords, professional referencing is the standard approach, with 44% saying they have no other method to compare it against, such as credit checks, previous landlord references or employment verification. Among those who can compare, positive views outweigh negative ones by a considerable margin. Around four in ten landlords say professional referencing produces generally or consistently better outcomes, while only 3% say it performs worse. This supports the value of a structured referencing process that brings the key checks together, particularly in a market where landlords are being asked to make decisions without some of the previous forms of financial reassurance.

What is the single most important factor in deciding whether to accept a tenant application? Percentage



Affordability sits at the heart of tenant selection. Employment status and income is the top factor for landlords, selected by 40%, followed closely by the agent's referencing report at 39%. Together, these two responses account for around four in five landlords surveyed. Other factors, including previous landlord references, credit history and gut feeling, sit much further behind. The result shows that landlords are prioritising evidence of whether the tenant can sustain the tenancy.

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Have you ever been refused a property as a result of failing referencing?

82% No - Always passed	**6%** Other	**3%** Yes - No reason given
4% Yes - Income level	**2%** Yes - Employment type	**1%** Yes - Credit history

Although referencing is becoming more important to landlords, most tenants are still passing. More than eight in ten say they have never been refused a property because of referencing. Among those who have been refused, the reasons are mixed, including income level, employment type, credit history and other factors.

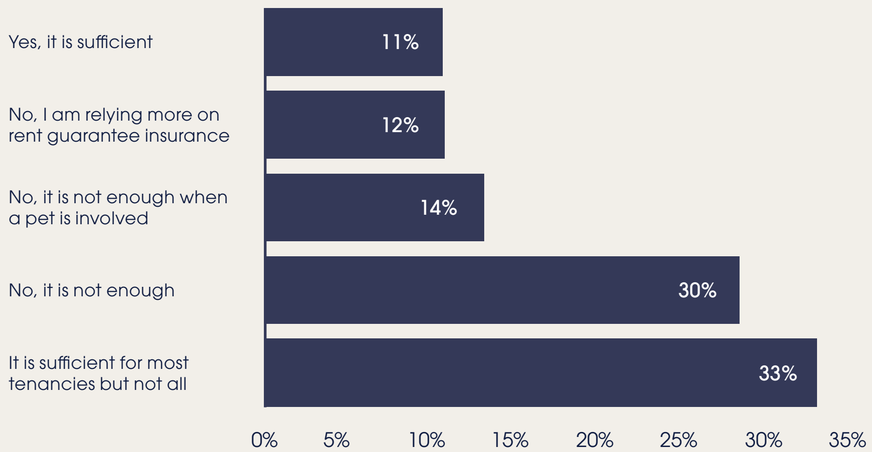
This suggests the challenge is not referencing itself, but making sure tenants understand what will be checked before they apply, and that they are financially ready to take on the rent, deposit and ongoing costs of the tenancy.

Deposits, Protection and the Cost of Moving

With advance rent no longer an option, landlords want stronger safeguards, while tenants face pressure from upfront costs and applicant checks are carrying more weight

Deposits remain a pressure point for both sides of the market. Many landlords do not see the five-week deposit cap as full financial protection, particularly where they perceive a higher risk of damage, arrears or pet-related costs. At the same time, tenants are dealing with the practical challenge of raising a deposit alongside rent and moving costs. The data points to a market where both sides are looking for reassurance: landlords through stronger protection, and tenants through clearer information about their rights, deposit deductions and alternative products.

Does the 5-week deposit cap adequately cover potential landlord losses?



Only around one in ten landlords say the five-week deposit cap gives them sufficient financial protection. A further third say it works for most tenancies but not all, while three in ten say it is not enough. That leaves more than half who feel it falls short in some way, including 14% who say it is specifically not enough where a pet is involved. With no change to the cap in prospect, many landlords are looking at other forms of protection, including rent guarantee insurance and guarantors.

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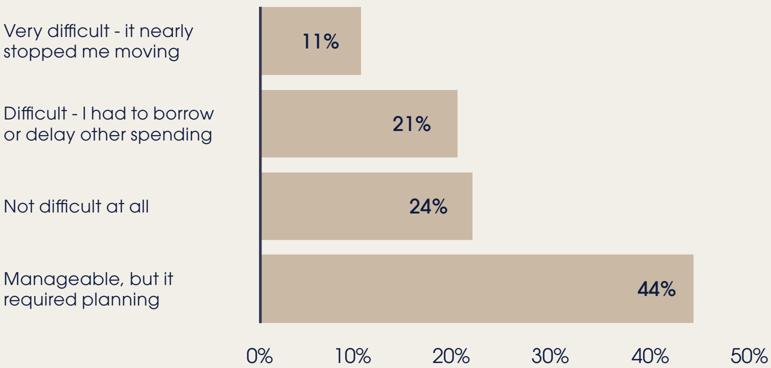
How difficult did you find it to raise a deposit when last moving home?



For most tenants, raising a deposit was not simple. Fewer than one in four say it was not difficult at all. The largest group, 44%, say it was manageable but required planning, while around one in five had to borrow money or delay other spending. A further 11% say it nearly stopped them moving altogether. The data highlights how significant the deposit remains as an upfront cost, even before wider moving expenses are taken into account.

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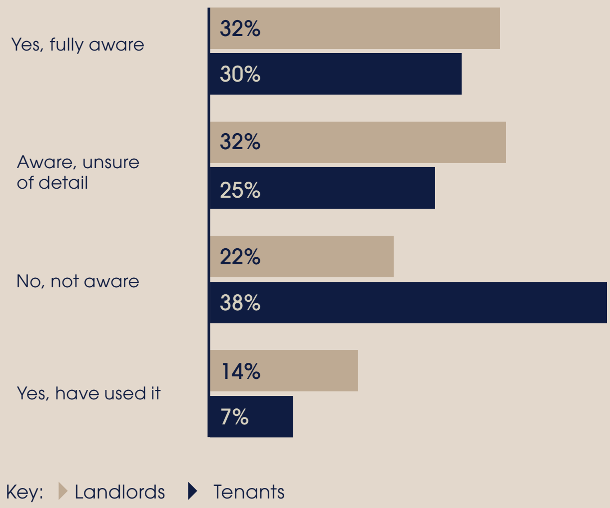
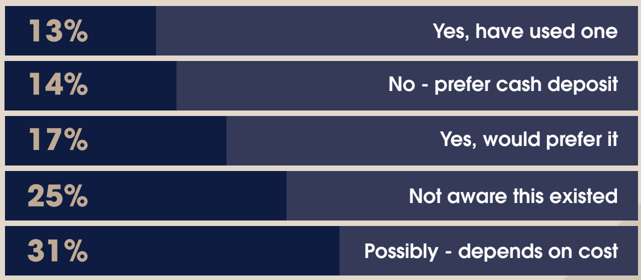
Were you aware of tenants' right to challenge deposit deductions via the TDS?



Awareness of deposit dispute rights is uneven, and the gap is particularly clear among tenants. While around two-thirds of landlords are either fully aware or aware but unsure of the detail, tenant awareness is lower. Nearly four in ten tenants say they are not aware of their right to challenge deductions through the TDS. This is a practical knowledge gap. Clearer explanation at the start and end of a tenancy could help reduce confusion if deductions are proposed.

Would you consider a deposit replacement product - a fee instead of a cash deposit?



Tenant views on deposit replacement products are mixed, but there is clear openness to the idea. Around a third would consider one depending on cost, while 17% would prefer one and 13% have already used one. However, one in four tenants were not aware the option existed. This suggests the issue is not just whether tenants want an alternative to a cash deposit, but whether they understand the options available and the cost difference between them.

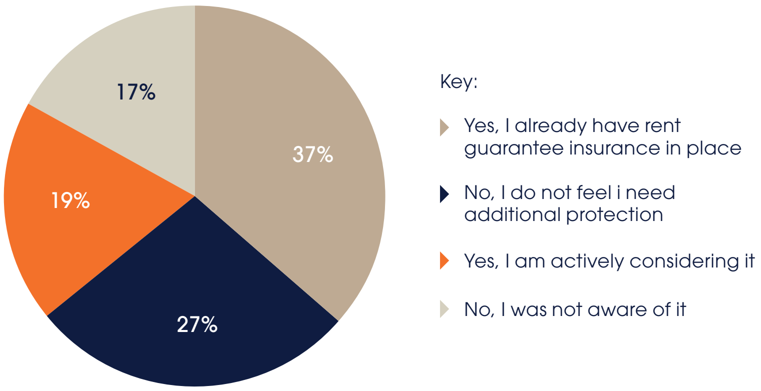
Guarantors and Rent Protection

New Safety Nets for Landlords and Tenants

The removal of advance rent has increased focus on other forms of security, including rent guarantee insurance (RGI) and guarantors. Some landlords already have rent guarantee insurance in place, while others are considering it or relying more heavily on guarantors for borderline applications.

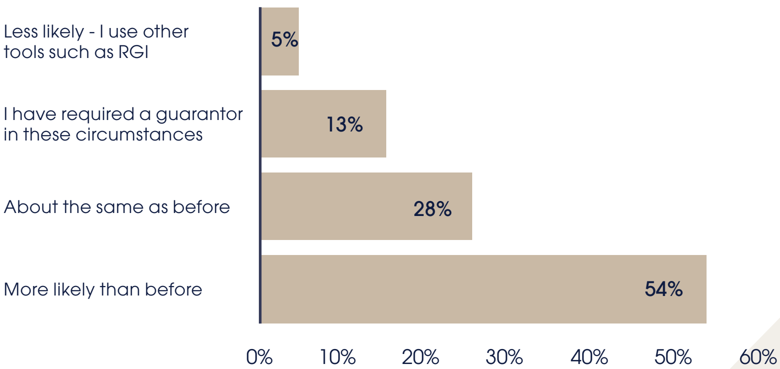
For tenants, guarantors are not a barrier for everyone, but they can become a serious issue for those without family or friends able to help. Professional guarantor services could offer an alternative, and the survey suggests there is some openness to them. The main issue is awareness, but many tenants simply do not know these services exist.

Are you considering or already using rent guarantee insurance now that advance rent is no longer available?



Rent guarantee insurance is already part of the picture for many landlords. More than a third say they already have it, and a further one in five are actively considering it. However, the results also show that the product is not universal. Just under three in ten landlords say they do not feel they need it, while 17% are not aware of it.

Since the advance rent ban, how likely are you to request a guarantor from borderline applicants?



The advance rent ban appears to have increased the use of guarantors for borderline applications. More than half of landlords say they are more likely than before to request one, while 13% say they have always required one. Just over a quarter say their approach is about the same. This suggests guarantors are becoming a more important part of how some landlords manage perceived risk, particularly where an applicant only narrowly meets the required criteria.

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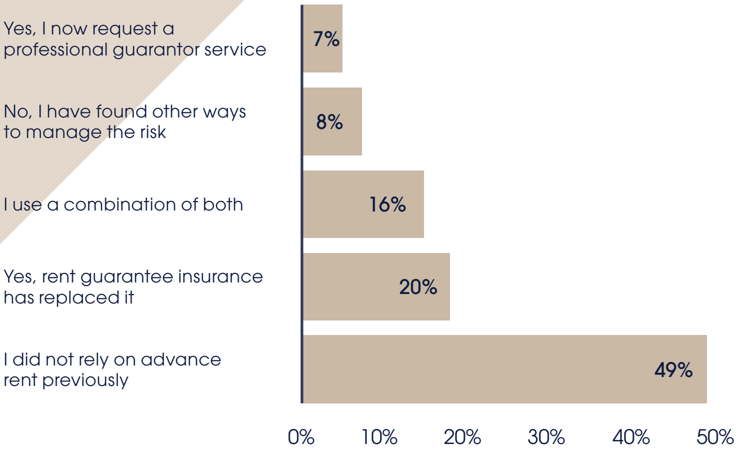
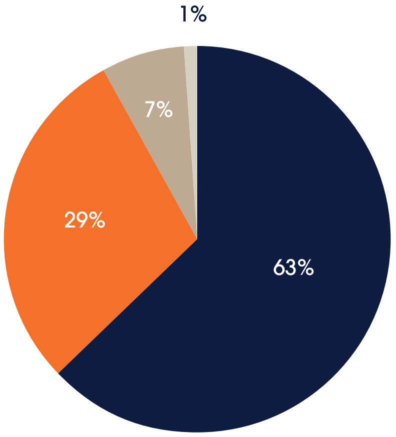
Has RGI or a professional guarantor service replaced advance rent as additional security?



Almost half of landlords say they did not rely on advance rent, so have not needed to replace it. Among those who have used an alternative, rent guarantee insurance is the most commonly named option, selected by one in five landlords. A further 16% are using a combination of tools, while professional guarantor services are being used by 7%. The data shows there is no single replacement for advance rent.

Landlords are taking different approaches depending on how they previously managed risk.

Have you ever needed a guarantor to secure a rental property?



Most tenants have never been asked for a guarantor, with 63% selecting this response. However, more than one in three have needed one at some point. In most cases, a family member or friend was able to help, but 7% of tenants were unable to find a guarantor. This is the group most likely to face difficulty if guarantor requests become more common for borderline applications.

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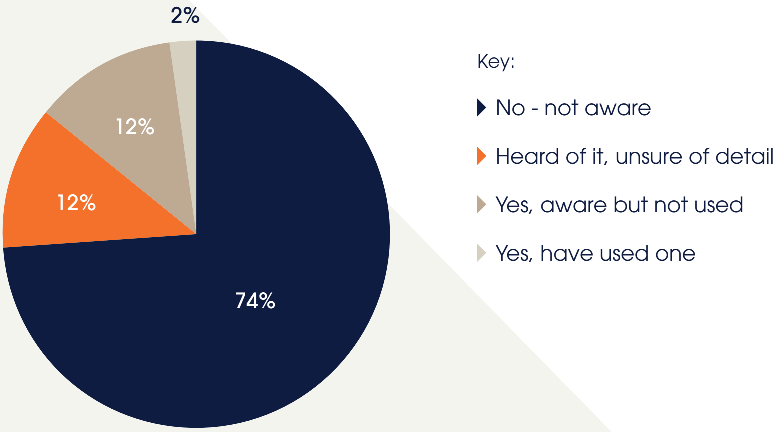
If you had no personal guarantor contacts, what would you do?

If tenants needed a guarantor but had no personal contacts available, half say they would look for a cheaper property instead, while 16% would stop their search altogether. However, almost one in five would use a professional guarantor service, which is a positive finding given how low awareness of these services remains.

The result suggests the issue is less about tenant resistance and more about knowledge. Agents who explain this option at the point a guarantor is requested could help some tenants stay in contention for a property they may otherwise assume is out of reach.

Were you aware professional guarantor services exist as an alternative?



Professional guarantor services remain little known among tenants. Around three-quarters say they are not aware that they exist, while a further 12% have heard of them but are unsure of the detail. Only 2% have used one. This is one of the clearest awareness gaps in the survey.

For tenants who cannot provide a family or friend as guarantor, simply knowing that an alternative exists could make a material difference to their options.

LRG