

# IMPENDING BAN ON UPWARD ONLY RENT REVIEWS

April 2026



## What Happened?

The English Devolution and Community Empowerment Act 2026 including the ban on upward-only rent reviews is now imminent following the receipt of Royal Assent at the end of April.

Crucially, renewal options agreed on or after 17 March 2026 will be affected, even though the Bill and therefore ban has not yet formally come into force.

## Legislative Position

- The **English Devolution and Community Empowerment Act 2026**, which includes the proposed ban on upward-only rent reviews, has now received **Royal Assent**.
- The **ban does not apply immediately**; it is expected to come into force after a lead-in period of several months.
- **New leases containing upward-only rent review clauses can still be completed in the interim period**, subject to the important exceptions below.

## Critical Date: 17 March 2026

From **17 March 2026**, certain arrangements will be **caught by the ban once it commences**, creating a limited "look-back" effect.

This applies to:

- **Renewal options**
- **Call options**
- **Put options**

entered into **on or after 17 March 2026**.

## Impact on Renewed Leases

Where caught:

- The **initial rent** in the renewed lease **must not be calculated using an upward-only rent review mechanism**.
- **Any rent review provisions** in the renewed lease **must not include a collar**.

Although the legislation is not generally retrospective, these renewal arrangements **will be unenforceable once the ban is live**.

## Agreements for Lease (AFLs)

- **Agreements for lease are not automatically caught** by the ban.
- However, **AFLs agreed since 17 March 2026** may be exposed **where they lock in future lease terms**, in particular:
  - where the **initial rent is not known**, and
  - where the rent is intended to be set by an **upward-only rent review mechanism**.

## Sub-Leases and Alienation Provisions

Where an existing superior lease requires sub-leases to include upward-only rent reviews:

- The new legislation **overrides that requirement**.
- **Sub-leases granted after commencement** of the ban must comply with the legislation.
- This applies **even if the superior lease itself still contains upward-only rent reviews**.



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## What This Means for Landlords and Tenants

- The **negotiating landscape has fundamentally changed**.
- **Upward-only rent reviews will become unenforceable** once the ban is in force.
- There is **limited time remaining** to complete leases containing upward-only rent reviews before commencement.
- Landlords and tenants should **review all active negotiations** now to assess risk and opportunity.

The Government has indicated a willingness to consult further, including on matters such as **caps and collars**, but it may be **unwise to assume material changes** to the legislation.

Market interpretation and precedent will evolve over time. Drawing on experience from Ireland, where a similar ban has been in force for several years, **Cushman & Wakefield can advise on:**

- Alternative rent review structures
- Impact on capital value
- Lease accounting implications (including IFRS 17)

For **tailored, sector and asset specific advice** on navigating the changing rent review landscape, please contact:



### GINO D'ANNA

Head of UK Lease Advisory  
+44(0)7808 479323  
[gino.danna@cushwake.com](mailto:gino.danna@cushwake.com)



### DARYL PERRY

Head of UK Research & Insight  
+44 (0)7782 191 382  
[daryl.perry@cushwake.com](mailto:daryl.perry@cushwake.com)

