CUSHMAN & WAKEFIELD

INSTANT INSIGHT

IMPENDING BAN ON UPWARD ONLY RENT REVIEWS

May 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.

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 will come into force after a lead-in period and is expected to be during 2027.
- **New business leases containing upward-only rent review clauses can still be completed in the interim period**, subject to exceptions.
- Leases will be caught whether **inside or outside** of the **1954 Landlord and Tenant Act once the Ban comes into effect.**
- New leases that give a **Landlord only a right to trigger or progress a** rent review will be caught, with **the Tenant having the same trigger rights.**

Critical Date: 17 March 2026 – ”Tenancy renewal Arrangements”

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

This applies to:

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

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

Agreements for Lease (AFLs)

- **Agreements for lease are not automatically caught** by the ban.
- AFLs entered into now for new lettings are unlikely to be caught if completed prior to the Ban.
- However, **AFLs agreed since 17 March 2026 to existing tenants** 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**.

Any new Agreement for Lease will now need careful legal consideration.

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 review structures will be allowed once the Ban comes into force?

- **Stepped** and **fixed rents** will be allowed.
- **Index linked reviews** with **caps** will not be caught but cannot contain **collars or floors.**
- **Turnover rents** are permitted but with no minimum rent.
- **"Higher of mechanisms"** are believed to be permitted including higher of open market or a capped index linked rent.

However, the Government has indicated that they will issue further guidance and will consult further on Cap and Collars in the coming months.

What This Means for Business Leases and Landlords and Tenants

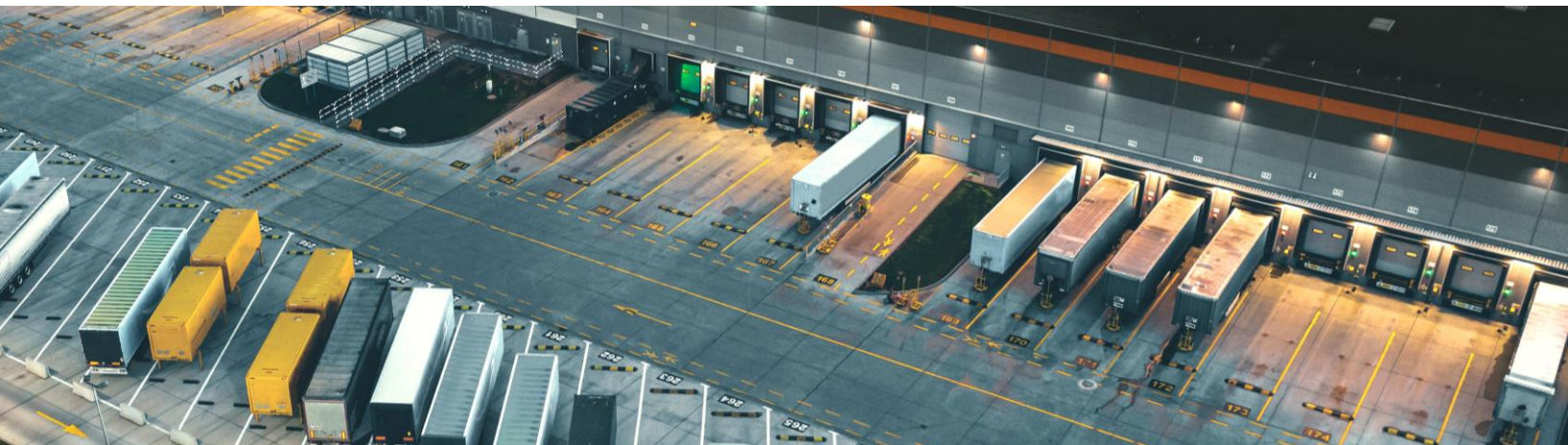
- The **negotiating landscape has fundamentally changed.**
- **Upward-only rent reviews will become unenforceable in new leases** once the ban is in force.
- Any structure that imposes a collar will not be allowed but alternate mechanisms such as **stepped, fixed and index linked** are permitted in addition to **open market reviews**.
- **AFLs** on new lettings to new tenants agreed prior to the Ban coming into effect are permitted regardless of when they commence.
- Generally, all **sub leases** granted after the Ban comes into effect will be caught regardless of headlease terms.
- Landlords and tenants should **review all active negotiations** now to assess risk and opportunity.

Next Steps

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**:

- Assessing the impact of the Ban on new leases and upcoming renewals.
- Advise on whether any "tenancy renewal arrangements" will be caught.
- Alternative rent review structures.
- Assess impact on asset and portfolio values.

For **tailored, sector and asset specific advice** on navigating the changing rent review landscape, please contact our team below.



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