



Ministry of Housing,  
Communities &  
Local Government

**Matthew Pennycook MP**

*Minister of State for Housing and Planning*

2 Marsham Street

London

SW1P 4DF

Our reference: PO2026/11234

Ellen Peters  
Property  
LUSH

By email: [ellen.peters@lush.co.uk](mailto:ellen.peters@lush.co.uk)

12 May 2026

Dear Ellen,

Thank you for your correspondence of 13 April regarding the Renters' Rights Act.

I appreciate how important this matter is to you and I am grateful to you for taking the time to write. I have asked my officials to address your concerns in the letter appended.

Please be assured that I am conscious of the matters you have raised, and I appreciate the insight your correspondence provides.

I hope the attached response suitably addresses your enquiry. If that is not the case, please do not hesitate to let me know.

Best wishes,

**MATTHEW PENNYCOOK MP**  
Minister of State for Housing and Planning



Ministry of Housing,  
Communities &  
Local Government

Ministry of Housing, Communities  
and Local Government  
2 Marsham Street  
London  
SW1P 4DF

Our reference: PO2026/11234

Ellen Peters  
Property  
LUSH

By email: [ellen.peters@lush.co.uk](mailto:ellen.peters@lush.co.uk)

12 May 2026

Dear Ellen Peters,

Thank you for your letter setting out the views of Lush and the Property Managers Association on the interaction between the Renters' Rights Act reforms and mixed-use commercial properties. I appreciate you taking the time to raise these issues.

The Government recognises the importance of mixed-use buildings in supporting town centres and understands the complexity of arrangements where residential tenancies sit beneath superior commercial leases. In designing the Renters' Rights Act, we have sought to balance greater security for renters with the need for landlords to regain possession where there is a clear and justified reason to do so.

Where an intermediate landlord's superior lease comes to an end, in many cases the tenancy will revert to the superior landlord, who then becomes the landlord of the assured tenant. In those circumstances, the superior landlord will be able to rely on the possession grounds that apply to their situation, for example where they wish to sell the property or undertake redevelopment.

Ground 1A applies where a landlord is seeking possession in order to sell the property or grant a long lease of it; it does not apply simply because an intermediate landlord's superior lease is coming to an end. In such cases, where the tenancy reverts, it is the superior landlord who may rely on the possession grounds available to them.

The Act also includes specific superior landlord possession grounds, but these are deliberately restricted to parts of the sector where they are most needed. This approach ensures that vital sectors operating under superior letting arrangements can continue to function without breaching vacant possession requirements, while preventing misuse by landlords seeking to create false or artificial leasing structures to circumvent the new tenancy system. We do not believe tenant security of tenure should be undermined through wider or more permissive use of such grounds.

More broadly, the Act removes section 21 and replaces it with a clearer, more structured set of possession grounds, ensuring landlords can regain possession where there is a compelling reason,

such as selling or redevelopment, while providing tenants with longer notice periods and greater certainty where they are not at fault.

In addition, Paragraph 28 of Schedule 6 of the Act ensures that where a lessee has sublet a property, the sublease has become a relevant assured tenancy by virtue of Part 2 of Schedule 6, and the lessee is unable to return the dwelling-house to the lessor at the end of the lease free of the relevant assured tenancy, this will not constitute a breach of the lease.

We recognise that some arrangements will require careful management as the new system beds in. The Department will continue to monitor how the reforms operate in practice and to engage with stakeholders across the sector to ensure the legislation works as intended.

Thank you for taking the time to write.

Yours sincerely,

**ROSS MCINNES**  
Deputy Director, Private Rented Sector