

## We need a new Rent Act

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The issue of rents was on my mind yesterday, with both a [post](#) and a [video](#) on the subject. So, last night I did a little back-reading on the subject to remind myself just what has changed over my time as a person who has rented accommodation (albeit, not for a while now).

I fairly quickly came upon the Rent Act, 1977. Note the year. This was Labour Party legislation. It would be very hard to imagine anything like this coming from Labour now, and yet it is precisely the sort of thing that it should be delivering.

I used ChatGPT to summarise what that Act said. The text is in italics to emphasise that this is not my work:

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*The **Rent Act 1977** was one of the most important pieces of housing legislation in post-war Britain. It consolidated and updated a long line of rent control laws stretching back to World War I. Here's a breakdown:*

### **1. What the Rent Act 1977 said**

***The Act consolidated previous rent control and security of tenure legislation. Its key provisions were:***

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***Security of tenure:***

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***Gave tenants in the private rented sector (PRS) strong rights to remain in their homes, creating the legal status of the "protected tenant."***

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***Tenants could only be evicted on specific statutory grounds (e.g. landlord's***

*own use, redevelopment).*

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***Fair rents system:***

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***Introduced the concept of a “fair rent,”*** set by an independent ***Rent Officer.***

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***Rents were assessed based on property condition, age, location, and amenities — but deliberately excluded market scarcity value.***

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***Once registered, the fair rent capped what the landlord could charge.***

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***Succession rights:***

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***Tenancy rights could be passed to a surviving spouse or sometimes a family member.***

## **2. What it achieved**

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***Tenant protection:*** It gave tenants strong security and affordable rents, protecting them from arbitrary eviction and sudden rent hikes.

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***Stabilisation of private renting:*** For a time, it created predictability in the PRS.

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***Long-term homes:*** Tenants could realistically treat a rented house as a secure home.

***However, it also had side effects:***

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**Landlord withdrawal:** Many landlords exited the PRS, selling up or not re-letting properties, because they felt returns were too low and rights too weighted toward tenants.

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**Decline of PRS:** By the late 1970s/early 1980s, the private rented sector had shrunk dramatically, from about 55% of households pre-WWII to under 10%.

### **3. Why and when its provisions were replaced**

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**Ideological shift:** The Thatcher government in the 1980s viewed rent control as a distortion of the housing market.

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**Housing Act 1980:** Began erosion by introducing “**shorthold tenancies**” with limited security.

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**Housing Act 1988:** This was the big change. It:

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**Abolished new Rent Act “protected tenancies.”**

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**Introduced assured and assured shorthold tenancies (ASTs).**

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**ASTs gave landlords the right to repossess property after a fixed term (initially 6 months, now effectively the default PRS contract).**

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**Abolished rent regulation for new tenancies, allowing market rents.**

**From 15 January 1989**, almost all new private lettings were under the 1988 Act — effectively ending Rent Act protections for new tenants.

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**Residual rights:** Existing “protected tenants” under the 1977 Act remained covered until they moved or died. A small number still exist today, paying fair rents set by Rent Officers, but they are very rare.

#### **4. In summary**

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**The Rent Act 1977** entrenched rent controls and tenant security, creating stable but regulated tenancies.

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**It achieved** affordability and security for tenants, but contributed to a long-term decline in the size of the private rented sector.

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**It was replaced** by the **Housing Act 1988** (in effect from 1989), which shifted the UK towards a deregulated, landlord-friendly system based on market rents and limited security.

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The lesson from the Rent Act 1977 is not that rent regulation fails. The lesson is that when you regulate, you get security and affordability, and when you deregulate, you get exploitation.

A modern Rent Act would not need to replicate the exact mechanisms of the 1977 Act, as it does not offer a perfect solution to the problems we face. However, it would need to revive its principles. In particular:

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Security of tenure must return. A home is not a six-month commodity. People need to know they can stay in a property, unless there are fair and reasonable grounds for requiring them to move.

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Independent rent setting must be restored. The market should not be allowed to dictate rents that consume 40% or more of people’s incomes. Rent officers, or their modern equivalent, must once again exclude scarcity from their calculations.

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The balance of power must shift back to tenants. The pendulum has swung far too far towards landlords. That imbalance lies at the heart of the present crisis.

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Homes must be seen as just that: property has to stop being treated as just another investment class. Housing is about people, not portfolios.

The point could not be clearer: without security, affordability and fairness, the private rented sector will continue to bleed tenants dry while enriching landlords. This process of exploitation is what is clear in the data from the Office for National Statistics [that I noted yesterday](#). ***The current level of rents is not the accidental outcome of market forces. It is the direct consequence of Thatcher's dismantling of rent regulation in 1989.***

***We replaced fair rents with market rents.***

***We replaced security with insecurity.***

***We replaced homes with investment vehicles.***

***The result is today's rent crisis.***

***The conclusion is unavoidable.***

***If we want affordable homes, we must regulate rents again.***

***If we want stability, we must restore security of tenure.***

***If we want housing policy that works for society, and not just for landlords, then a modernised Rent Act is a place to start, alongside a massively enhanced role for government in social housing supply, including buying out existing landlords and their properties if need be.***