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PBSA vs APT under the Renters' Rights Act

The opportunity for student landlords, property investors and CFOs — benefits, risks, essential checks, and why **ANUK/Unipol** membership matters.

Kluk Consultancy Position Paper



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The opportunity for student landlords, property investors and CFOs

Benefits, risks, essential checks, and why ANUK/Unipol membership matters

Prepared by Kluk Consultancy

Executive summary teaser: For landlords, operators and CFOs, the difference between qualifying PBSA and an assured periodic tenancy model is now commercially significant. Where accommodation genuinely qualifies as PBSA and is supported by approved ANUK/Unipol Code membership, there may be a route to common law student tenancies - preserving fixed academic cycles, improving possession planning and supporting stronger rent-collection arrangements. By contrast, the new assured periodic tenancy regime is more restrictive than the previous AST model, particularly on fixed terms, possession timing and advance rent.

1. Executive summary

The Renters' Rights Act 2025 changes the economics and operating model of student housing. The Government's implementation roadmap states that the new tenancy regime applies to both new and existing tenancies from 1 May 2026. [\[1\]](#)

For many landlords, the old AST framework supported a practical student-letting model: a defined term, predictable end-of-cycle possession, clearer summer turnaround planning, and workable rent collection. Under the new regime, that model becomes materially more restrictive where lettings fall into the assured periodic tenancy (APT) regime.

That is why PBSA now matters. Where a building genuinely qualifies as Purpose Built Student Accommodation and is properly covered by the ANUK/Unipol National Code, there may be a lawful route to use common law student tenancies rather than ordinary assured periodic tenancies. Pinsent Masons summarises the intention that PBSA tenancies granted on or after 1 May 2026 will be common law tenancies, allowing fixed terms and possession outside the new regime. [\[2\]](#)

The strategic conclusion is straightforward: for student operators, qualifying PBSA supported by ANUK/Unipol membership may now be one of the most valuable structural advantages in the sector - but only if the building, the occupier and the documentation all genuinely fit the legal framework.

2. Why this matters commercially

The student accommodation business is not merely a tenancy business. It is a cycle business.

- aligning contracts to the academic calendar;
- securing predictable possession for the next intake;
- minimising disruption to room allocation;
- managing overseas students and guarantor risk;
- matching operational staffing, cleaning and maintenance to known turnover windows;
- producing reliable cash flow forecasts and lender reporting.

For property investment companies and CFOs, a misclassified tenancy route is therefore not just a legal error. It can become a cash flow, valuation, arrears and asset management problem.

3. PBSA: the strategic opportunity

Where the accommodation is genuinely qualifying PBSA and supported by relevant approved Code membership, the operator may be able to use common law student tenancies instead of falling into the APT model. That creates several significant advantages.

Potential PBSA advantage	Commercial relevance
Fixed academic cycles	Preserves the ability to align occupation to the student year rather than a rolling general PRS model.
Better possession planning	Supports annual room turnover, summer works, re-marketing and next-intake allocation.
More workable rent collection	Supports termly, semesterly or upfront structures where the tenancy is truly common law/PBSA.
Foreign student risk management	Helps manage non-UK guarantor or weak covenant risk with a contractual payment structure.
Stronger forecasting	Improves CFO visibility over receipts, occupancy, arrears risk and lender reporting.

4. APT: the key disadvantages compared with the old AST model

The APT regime is more restrictive than the historic AST approach many student landlords were used to. The Act itself abolishes assured shorthold tenancies and provides that assured tenancies are to be periodic with a rent period not exceeding a month. [3]

The practical burdens include:

- loss of the old fixed-term AST comfort;
- loss of Section 21/no-fault possession planning;
- greater pressure on possession timing at academic year end;
- advance rent restrictions, particularly problematic for international students and weak covenant occupiers;
- increased mismatch risk where rooms cannot be reliably recovered for the next intake;
- higher operational friction around leasing, renewals, extensions and notices.

Government tenant guidance states that once a tenancy agreement has been signed, a landlord can be asked to pay a maximum of one month of rent in advance. Separate Government landlord-facing guidance similarly states that large amounts of rent in advance have been banned in the PRS context. [4]

In short: APT may suit a general residential model. It is often far less suited to a specialist student-cycle model.

5. Why ANUK/Unipol membership is essential

Membership matters because the opportunity is not simply "student building = exemption". The legal and practical position depends on proper qualification and Code-backed status.

Unipol student guidance states that the Renters' Rights Act comes into force on 1 May 2026, abolishes no-fault evictions, replaces fixed-term tenancies with rolling periodic ones, and introduces stronger protections around rent increases, deposits and eviction grounds. [5]

Unipol/National Code guidance also distinguishes PBSA and Code-covered accommodation from ordinary private rented accommodation and identifies special student/PBSA treatment in the transitional context. [6]

ANUK/Unipol membership is therefore not cosmetic. It may be the gateway to the more commercially workable model - but only where the Code actually applies to the relevant building/rooms and the occupier is within the qualifying student category.

6. Essential checks before changing documents or rent policy

Check	Question to answer before action
Building check	Is the building genuinely qualifying PBSA?
Membership check	Is the building actually covered by current ANUK/Unipol approved Code membership? Is documentary evidence available?
Occupier check	Is the occupier a student or intending student? Is this evidenced and retained?
Letting category check	Is this a new student letting, international student, non-student, mixed-status case, renewal, short extension or existing AST transition?
Documentation check	Is the agreement the correct form for the category? Do not confuse a common law student tenancy with an ordinary PRS template.
Non-student segregation check	Are non-students kept outside the PBSA student route unless there is specific legal advice?
Existing AST review	Have current AST occupiers been identified and categorised?
Ground 4A review	Has the student possession ground been reviewed where relevant? Unipol guidance notes Ground 4A limitations for non-HMO student properties.
Staff training check	Do operations staff classify the tenant and tenancy route before issuing documents or agreeing payment terms?
Policy check	Has the board approved segmented handling for students, foreign students, non-students, renewals, extensions and legacy ASTs?

7. The biggest risk: treating PBSA as a blanket exemption

PBSA is potentially a major advantage, but it is not a licence to treat every occupier in every circumstance as outside the new regime.

The principal risk areas are:

- letting to non-students using student documentation;
- mixed student/non-student occupation;
- assuming Code membership covers all buildings or rooms when it does not;
- continuing with outdated AST templates;
- demanding advance rent where the tenancy does not genuinely qualify for the PBSA/common law route;
- failing to review existing ASTs and transitional occupiers.

The right operating policy is not one tenancy template for all. It is a segmented operating model.

8. Recommended operating approach

Category	Recommended approach
New qualifying student lets	Use the PBSA/common law route, subject to confirmation of building, Code coverage and student status.
International students	Use the PBSA/common law route where available, with structured payment policy and retained student/right-to-rent evidence.
Non-students	Do not assume PBSA applies. Treat separately and conservatively under the ordinary PRS/APT regime unless advised otherwise.
Existing student ASTs	Review individually; do not simply roll forward. Consider transitional notices and Ground 4A where

	relevant.
Renewals and short extensions	Use new documentation appropriate to the correct legal category. Avoid informal extensions by email, WhatsApp or rent acceptance without paperwork.
Mixed/uncertain status	Escalate before offer. Do not use PBSA template or advance-rent policy until the route is confirmed.

9. Bottom line

For student accommodation operators, the Renters' Rights Act is not just a legal update. It is a business model reset.

Against that backdrop, qualifying PBSA supported by ANUK/Unipol membership may provide one of the clearest strategic advantages now available to student landlords.

Done properly, it may preserve the core features that matter most: fixed academic cycles, more reliable possession planning, more workable payment structures and better financial predictability.

Done badly, it creates risk. The message for landlords and CFOs is simple: check the building, check the occupier, check the documentation, check the membership - then operate a segmented policy.

10. Website teaser copy

PBSA vs APT under the Renters' Rights Act: for landlords, operators and CFOs, the difference is now commercially significant. Where accommodation genuinely qualifies as PBSA and is supported by approved ANUK/Unipol Code membership, there may be a route to common law student tenancies, preserving fixed academic cycles, improving possession planning and supporting stronger rent-collection arrangements. By contrast, the new assured periodic tenancy regime is more restrictive than the old AST model, particularly on fixed terms, possession timing and advance rent. This Kluk Consultancy position paper explains the opportunity, the risks, and the checks that must be completed before changing documentation or rent policy.

Sources reviewed

[1] Government roadmap: Implementing the Renters' Rights Act 2025:

<https://www.gov.uk/government/publications/renters-rights-act-2025-implementation-roadmap/implementing-the-renters-rights-act-2025-our-roadmap-for-reforming-the-private-rented-sector>

[2] Pinsent Masons: Renters' Rights Act 2025 guide for private landlords in England:

<https://www.pinsentmasons.com/out-law/guides/renters-rights-act-2025-guide-private-landlords-england>

[3] Renters' Rights Act 2025 - legislation.gov.uk: <https://www.legislation.gov.uk/id/ukpga/2025/26>

[4] Government tenant overview: rent in advance: <https://www.gov.uk/guidance/renters-rights-act-overview-for-tenants>

[5] Unipol: Renters' Rights Act 2025 guide for students: <https://www.unipol.org.uk/advice/renters-rights-act-2025-advice-for-students/>

[6] Unipol/National Code student FAQs: <https://www.nationalcode.org/Pages/FAQs/Category/renters-rights-act-student-faqs/>

Important note: This paper is general strategic commentary for a financial and landlord audience. It is not legal advice. Operators should obtain property-specific legal confirmation before changing tenancy documents, rent-in-advance policy or possession strategy.