Forsters

October 2026
Autumn edition

Central London Estates

Newsletter





Welcome to the autumn edition of our Central London Estates quarterly newsletter

The regulatory landscape for property owners, investors and managers continues to evolve at pace. From the introduction of the Building Safety Levy and the new Private Rented Sector (PRS) Database Regulations 2026, to the Governments plans to regulate property agents, the direction of travel is clear. In this edition, we explore the latest developments and highlight the issues most likely to affect Central London estates in the months ahead.

The Central London Estates team



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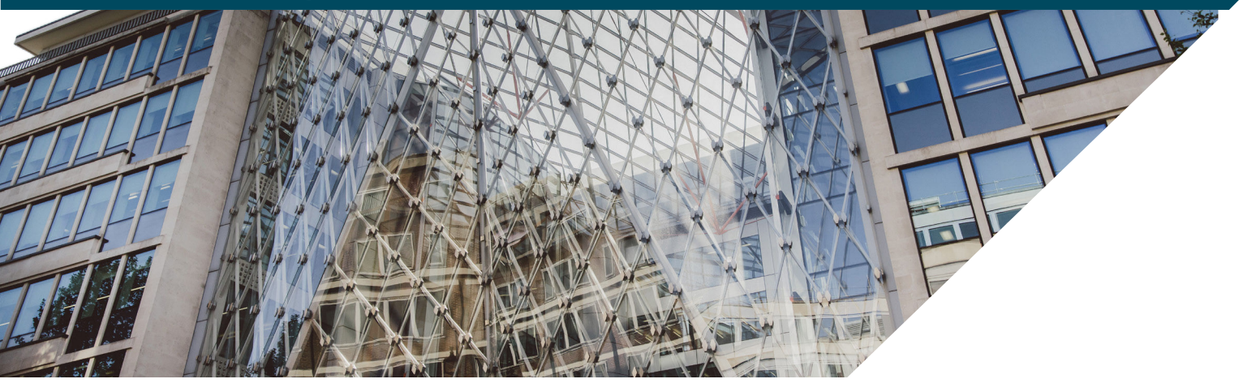
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Private Rented Sector (PRS) Database Regulations 2026: What Central London estate clients need to know

The Renters' Rights Act 2025 (the "Act") introduces a compulsory registration system called Register Your Rental Property, for private landlords to register both themselves and their properties on the Private Rented Sector (PRS)

The obligations will be set out in the PRS Database Regulations 2026 (the "Regulations"), which have just been laid before Parliament.

The draft Regulations provide for the requirement to register to come into force at different times across the country, starting in the West Midlands on 15 December 2026. It will come into force in London on 15 July 2027 and will be in force nationwide by 15 August 2027. Landlords will have three months from the relevant commencement date to register themselves and their properties on the database. For Central London estate clients this means that registration of London properties must have taken place by 15 October 2027.

While many Central London estates already operate sophisticated property management systems, the new regime will introduce an additional statutory obligation requiring portfolio-wide registration and ongoing maintenance of property information.

What landlords need to know

The Regulations set out how the database will work and how entries can be made. Some of the key requirements that will apply to landlords are summarised below:

- Entries into the database must be made by the landlord through the online portal provided by the database operator. It is anticipated that the database operator will be the Secretary of State or someone appointed by them. The information required for the database entry includes:
  - the address of the property;
  - the landlord's name;
  - the type of ownership;
  - the type of dwelling including the number of bedrooms and number of occupants;
  - if it is currently let and whether or not it is furnished;
  - the contact details of the freehold owner, the superior landlord or the property manager;
  - the rent payable and the frequency it is paid; and
  - health and safety information such as the gas safety certificate, EPC, and Electrical Installation Condition Report.
- Registering as a landlord is free, but there is a registration fee of £65 per property, paid annually on renewal.
- Any amendments to the database can generally only be made by the person specified as the landlord. Letting agents or property managers can provide certain information on the landlord's behalf but the landlord remains responsible for providing all of the required information. Further guidance for letting agents and property managers is expected to be published soon.
- When information recorded on the database becomes out of date, this must be updated within 28 days of the information changing. If an entry was not complete when it was made, the information needs to be updated within 28 days of a tenancy starting.
- If a tenancy is renewed, the database entry must be renewed on or before the tenancy renewal date to avoid becoming inactive.
- Where there are errors in database information or entries do not meet the requirements of the Act, the database operator and local housing authorities may verify, correct, or remove entries.
- The database operator is responsible for setting the fees for making, renewing, or reactivating a property entry. The registration fee is currently set at £65 per dwelling per year.
- If landlords have properties in more than one region, they can be registered at any time from 15 December 2026 provided registration takes place before the deadline applicable to that region.

What does this mean for landlords?

For institutional landlords, the practical challenge is unlikely to be registration process itself. Instead, it will be ensuring that accurate information is held and maintained consistently across large residential portfolios.

If landlords fail to comply with the Regulations, they could be faced with a fine. Additionally, a property cannot be advertised or lawfully let if its database entry has become inactive. This could happen if registration details are inaccurate, incomplete or have not been kept up to date.

Landlords should begin preparing for registration now, by addressing any gaps in the required information to avoid delays while the Regulations are rolled out.

Learn more about the Renters' Rights Act on our hub, and get in contact with our team if you need support with next steps.



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Government to introduce property agent regulation

The government has announced plans to appoint the first ever property agent regulator. Property agents will be required to hold licences and possess certain qualifications to do their jobs.

This comes during an already eventful period for residential landlords as the Renters' Rights Act continues to come into effect.

The independent regulator will have powers to:

- Introduce a complaints procedure
- Set standards of conduct
- Take licences away from agents who fall short

The statement also announced that the Secretary of State will be given powers to cap permission and administration fees, pending a public consultation on scope. These are currently uncapped fees that a landlord can charge for granting tenants permission (e.g. to keep a pet) or carrying out certain tasks on the tenant's request (e.g. providing building safety certificates).

The Government will announce further details in due course.



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The Building Safety Levy: What developers need to know

The Building Safety Levy came into operation on 1 October 2026.

You would be forgiven for having forgotten a lot of what the levy is about, since the government's response to the consultation on the levy was published back in March 2025. By way of reminder, we have set out below the key points in the Building Safety Levy (England) Regulations 2025/1236 (the Regulations).

The key message for developers is that payment of the levy must be taken into consideration from the outset, alongside building control, funding and disposal arrangements. Providing incomplete information to the building control authority may prevent works from commencing, and non-payment may delay the building control completion certificate and subsequent sales or lettings.

What is the Building Safety Levy?

The levy is a tax on new residential buildings designed to raise circa £3.4 billion for central government to pay for the cost of the government's expenses in remediating unsafe buildings. The power to introduce the levy was included in the Building Safety Act 2022. The levy is assessed through the building control process, whether via local authority building control, registered building control approver (RBCA) or the Building Safety Regulator (BSR) (for buildings within the higher-risk building regime). However, payment of the levy will be made to the local authority where the building is located (even if the building control process is via the BSR or an RBCA).

From when will the levy be in force?

1 October 2026.

When is the levy charged?

The levy will be charged in relation to any development where all three of the following charging conditions apply:

Charging condition 1:

The works must constitute, or form part of, a major residential development.

A major residential development is a development of 10 new dwellings or more, or 30 new bedspaces or more, if the development is PBSA.

Charging condition 2:

The works must create new residential floorspace.

This can involve the creation of a new building or extending or changing use of an existing building. The floorspace of new communal areas intended to be used by chargeable dwellings will be included.

Charging condition 3:

The client must not be an exempt person, i.e. a non-profit registered provider of social housing (or a subsidiary company).

Note: The government has issued some helpful examples of how the charging conditions will apply, particularly in respect of the number of dwellings being provided in their guidance (paragraph 3.4).

Are there any exclusions to the levy?

The following developments are excluded:

- Social housing
- Supported housing
- Hospitals and facilities
- Care homes and hospices
- Children's homes and residential family centres
- Domestic abuse shelters
- Accommodation for armed services personnel
- Criminal justice accommodation
- School accommodation
- Hotels and hostels
- Almshouses
- Temporary accommodation for homeless people
- Ministry of Defence or Crown properties
- Monasteries, nunneries, seminaries and similar establishments

Where the development is:

- not a "major residential development"; or
- the development contains social housing or supported housing,

then information in respect of the levy is still required to be lodged with the local authority when applying for building control approvals. Where the local authority determines that no levy is chargeable, it will issue a notice of no charge. It will be necessary to then file a levy liability statement when applying for the building control completion certificate and to confirm that a notice of no charge applies to the development.

Note: "Social Housing" is defined in detail in the Regulations and includes social rent, affordable rent, intermediate rent dwellings and shared ownership as well as some discounted rent or discount market value for sale properties.

Where a developer has a mixed-tenure development, for example one that includes social housing dwellings secured by a section 106 agreement, those dwellings will be eligible to be excluded from the levy calculation. The allocation under the section 106 agreement may be sufficient evidence for the local authority to agree to the exemption. Other evidence to confirm that the dwellings will be used or let for social housing could be a signed and dated sale contract with a registered provider for the dwellings. Developers will need to be organised in ensuring the evidence (if not provided at the commencement stage of the building control process) is submitted before applying for a completion certificate, in order to prevent delays in the issue of the building control completion certificate.

Are there any discounts to the levy?

Yes there is a 50% discount applied for developments where 75% or more of the development is on 'brownfield land', to recognise the additional costs involved with regenerating such land. Brownfield land is defined as "Previously Developed Land" (PDL) in the Regulations and is land on which a building was situated on or after 1 July 1948, whether or not that building remains on the land on the earlier of the date the relevant planning permission was granted and the date on which the development approved under the planning permission was commenced. *(There are further clarifications around underground property, agricultural, forestry or mining use that should be checked in the Regulations where applicable to a site).*

How is the levy calculated?

The levy rate applied to a development will be calculated based on a 'per square metre' basis rather than a 'per residential unit' basis and will be determined by reference to the gross internal area (GIA) of the development (based off RICS Code of Measuring Practice 6th Ed.). Communal spaces will be included within the GIA of the development. The rates will be reviewed every three years (the government dismissed suggestions of the rates being subject to indexation in its response to the levy consultation), albeit it reserved the right to review the rates more frequently if warranted. Where communal space is shared between private dwellings and exempted social housing dwellings, the area included in the calculation will be a proportion of the communal space, apportioned according to the different tenures within the building.

What is the process for determining whether a development is caught by the Building Safety Levy?

a. When applying for the building control approval with full plans, whether to a local authority, via a RBCA or to the BSR, developers will need to submit information confirming:

i. The number of dwellings that will be created.

ii. How the works are authorised, for example by permitted development rights, planning permission (and details of that planning permission) or a development consent order.

iii. That the development is a "major residential development".

b. When the first commencement notice is submitted:

i. Information as to whether exemptions from the levy apply.

ii. If the works are chargeable, whether the development is on PDL.

iii. If the works are chargeable, the GIA of the chargeable floorspace of the development, including communal areas.

Other supporting evidence will also be required when the confirmations set out above are provided to the relevant building control authority.

Are there consequences if a developer does not provide the levy information required?

Yes, there can be severe consequences, as failure to provide the required information is a ground on which the building control authority may reject the building control approval application or initial notice, which would delay the developer's ability to commence works.

When will the levy need to be paid?

Developers will need to have sufficient funds available to pay the levy before the building control completion certificate is issued. Under many development agreements and sale contracts, practical completion of dwellings cannot occur without that certificate, and sales or lettings may therefore only complete after the levy has been paid. The levy should accordingly be included in development-phase cashflow and funding plans.

The local authority should confirm receipt of the levy within two weeks of payment. However, to obtain the building control completion certificate, developers will need to make a statement as to the status of payment of the levy. That statement could presumably be made without evidence from the local authority confirming receipt of payment (as building control can check with colleagues responsible for processing levy payments). Either way, given the checks required, this could cause a delay in the issue of the building control completion certificate if there are delays in confirming payment of the levy.

What does this mean for developers?

Practically, the consequences of the introduction of this levy are:

a. Developers will need to be organised in preparing the information they need to submit with their building control application. Developers should also be cognisant of any changes in tenure during a development and update the building control authority where those changes could impact levy liability.

b. Where there is social housing within a development, developers will need to prioritise ensuring that they can evidence that the social housing dwellings will be used or let as such. Once a developer has entered into documentation to dispose of its social housing dwellings, it may be prudent to issue a Levy Update Notice to the building control authority confirming evidence of the future occupation of those dwellings.

c. Developers will need to ensure that they have the necessary funds available before practical completion of the development to pay the levy (which will be in advance of their ability to complete sales of the dwellings).

d. This levy has been introduced at a time when the viability of residential developments is already under pressure. The charges under the levy are linked to land values and therefore arguably have a disproportionate impact on developments in high-value areas, where viability may already be challenging due to those higher land values. Additionally, developers' confidence in the property market, particularly in achieving the sale prices required for developments, is currently relatively low. This is despite the availability of a 50% discount for brownfield sites, which are more likely to be situated in urban areas (such as London). The levy therefore presents a further challenge to viability, particularly in higher-value areas such as London.

This is not intended as legal advice and is not a substitute for reading the Regulations in full and seeking legal advice on a specific matter. If you have any questions on this subject, please contact Charlotte Youngs or a member of the Building Safety team.



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