



NEWSLETTER
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Real Insight

A regular email from Jones Day's UK Real Estate team.

INTRODUCTION

Welcome to the first edition of *Real Insight*, our new UK real estate update. Among the subjects covered in this edition are the emerging success of data centres in the planning system, continuation funds, the proposal to ban upward-only rent reviews in commercial leases, the Renters' Rights Bill, the rights of light case which has hit the headlines and also our new energy, infra and real estate markets podcast "Real Assets Roundup"!

We hope that you enjoy this edition and that you have a relaxing rest of the summer.

DATA CENTRES



Data Centres—One of the Winners as the English Planning System Adapts

On 9 July 2025, the Secretary of State granted planning permission for a large data centre in the Buckinghamshire Green Belt. [Richard Adams](#) looks at the decision and the wider trend in favour of data centres.

[Read our related Commentary >>](#)

REAL ASSETS ROUNDUP

Tune in to "Real Assets Roundup"—a new podcast focused on the trends and opportunities within the real estate, infra and energy markets as part of an extended series of Jones Day Talks®!

In this [kickoff episode](#) of "Real Assets Roundup", [Vica Irani](#) and [Kit Rockhill](#) join [Brian Sedlak](#) to discuss the new definition of "real assets" and talk about the issues, themes and legal considerations to be addressed in subsequent programmes.

[Listen to the podcast >>](#)



COMMERCIAL LEASES—RENT REVIEWS



Shock and Law—Government's Surprise Proposal to Ban Upward-Only Rent Reviews

In an unexpected move, and without prior consultation, the Government has published draft legislation which proposes a ban on upward-only rent reviews in all commercial leases in England and Wales, including in the retail, office and logistics sectors.

The Government says it is aiming to help small businesses on the high street, but the move is contentious, with landlords concerned by the potential threat to one of the long-established cornerstones of the UK commercial property market.

Don't worry, though—[Jaskie Chana](#) and [Kirsty Rogerson](#) are on hand to explain it all.

[Read our related Commentary >>](#)

CONTINUATION FUNDS

One notable market trend is the growing use of continuation vehicles not just as a liquidity solution, but as a mechanism to allow new strategic investors to access real estate assets and operating platforms via increasingly bespoke and tailored GP-led transactions. We've seen increased interest from both sponsors and investors and recently advised CBRE Investment Management, investing on behalf of its indirect private real estate division, on its €300 million investment, in connection with the recapitalization of Värde Partners' ownership stake in Vía Célere, a Spanish residential developer. The recapitalization valued Vía Célere at approximately €1 billion.



RENTERS' RIGHTS BILL

The Renters' Rights Bill is going through its latter stages in the House of Lords and should receive Royal Assent after the summer recess.

Major Changes to the Residential Rental Market

Among the landmark changes that the Bill will introduce:

- The abolition of fixed-term assured shorthold tenancies, which will be replaced by periodic tenancies; these will continue indefinitely unless validly terminated.
- Tenants will be able to terminate a periodic tenancy by giving two months' notice, but landlords will be able to terminate only on prescribed grounds.
- Section 21 "no fault" evictions will be abolished. A landlord will need to prove a ground for eviction before the property can be reclaimed.
- Landlords may increase the rent only once a year, which must be to a fair market level.

But Purpose-Built Student Accommodation ("PBSA") to Be Exempt

In welcome news for PBSA operators, the Government has amended the Bill so that many PBSA developments should be exempted from the Bill's new regime of assured periodic tenancies. The detail of this will be introduced in secondary legislation at a future date, but to qualify for the exemption, it appears that the PBSA operators will need to be signed up to a Government-approved management code of practice (as some PBSA operators already are). If for any reason the PBSA operator ceases to be a member of the code of practice, then it would be subject to the new rental regime.

Watch out for our *Commentary* on the Renters' Rights Bill once the Bill becomes an Act.

RIGHTS OF LIGHT



Bring Me Sunshine ... but London Rights of Light Injunction Is Refused

On 8 July 2025, the High Court gave an important judgment on rights of light in *Cooper v Ludgate House Limited* and *Powell and Powell v Ludgate House Limited*. Neighbouring landowners had sought an injunction against a high-profile office building in London, but were instead awarded damages. [Gregory Barden](#) and [Richard Adams](#) explain the judgment and its potential implications for developers of urban schemes.

[Read our related *Commentary* >>](#)

BUILDING SAFETY ACT

"Taking a Haircut"—Some PBSA Schemes Seek to Avoid Building Safety Act Delays

The ongoing delays that many tall residential schemes (including PBSA) are having in obtaining "Gateway 2" approval under the Building Safety Act ("BSA") have led to some developers reducing the height of their schemes to avoid the BSA thresholds. For example, a proposed student accommodation scheme in Liverpool's Fabric District has been reduced from seven storeys to six (with the loss of 28 bed spaces) so that it is no longer considered a high-risk building. Whilst this will not be possible in all cases, it is a sign of the frustration at the delay and expense involved in gaining BSA approvals that some developers would rather reduce their schemes than continue with the BSA process.

BSR Reform

Changes announced on 30 June for the Building Safety Regulator ("BSR") should hopefully ease some of the prolonged delays that developers and building owners are experiencing with building control applications for high-rise residential development.

A new "Fast Track Process" will "bring building inspector and engineer capacity directly into the BSR to enhance the processing and review of existing newbuild cases and remediation decisions". Details are still awaited on this.

A new arms'-length body to the Ministry of Housing, Communities and Local Government, to take on the functions of the BSR from the Health and Safety Executive, will be created. We are therefore moving toward the creation of a "single construction regulator" as recommended by the Grenfell Tower inquiry.

[Read the UK Government's related press release >>](#)

CONTACT US

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