



## *In-depth Briefing*

### **Renting Homes (Wales) Act 2016 Overview of the Act and implications for the sector**

The Renting Homes (Wales) Act 2016 was enacted in response to increased numbers of people currently accessing the rented market in Wales and in an effort 'to make it simpler and easier to rent a home, replacing various complex pieces of legislation with one clear legal framework.'<sup>1</sup>

Around a third of the population of Wales lives in rented accommodation. The changes proposed by the Renting Homes (Wales) Act will affect almost all of those people and their landlords.

The Act seeks to simplify the letting process and provide more transparency and flexibility. The changes will affect all landlords in both the public and private sectors. It provides clarity on rights and responsibilities through written contracts for both the tenant and the landlord.

The new Act replaces the majority of current tenancies and licenses with just two types of contract, one for private rented and one for social rented housing. Landlords will be required to issue a written statement of contract setting out the rights and responsibilities of landlords and tenants. They will also be required to carry out repairs and ensure that rental properties are fit for human habitation. The Act will also help landlords to recover a property in situations where a tenant abandons it.

For tenants, the Act will help protect people from being evicted simply for complaining about the condition of their home and it will also help to prevent people from being made homeless when a joint tenant leaves a tenancy. The key concepts within the Act include occupation contracts, community landlord, private landlord and fundamental supplementary or additional terms.

---

<sup>1</sup> <http://gov.wales/newsroom/housing-and-regeneration/2016/160119-landmark-renting-homes-law-receives-royal-assent/?lang=en>



### **Community and Private Landlords**

The Act provides for two types of landlords; community landlords which are the providers of social housing, and private landlords which is any landlord in Wales who is not a community landlord.

### **Occupation Contracts**

As a general rule the type of landlord dictates what kind of contract the occupier occupies under.

The default positions are that a community landlord operates a secure contract and a private landlord operates a standard contract, with some variations possible.

**Secure contracts** are periodic and based on the local authority secure tenancy agreement. This will be the default tenancy for community landlords, with some exemptions.

**Standard contracts** can be periodic or fixed term and will largely follow the current form of Assured Shorthold Tenancy. It will only be possible to deviate from these two forms of contract in limited circumstances.

There are provisions for variations from the default position if the community landlord wants the contract to be standard. This includes; accommodation for asylum seekers and displaced persons, accommodation for homeless people, accommodation connected with certain public sector employment and certain student accommodation. For private landlords, the contract is always standard unless the landlord chooses a secure contract or takes over an existing contract.

### **Written statements and model contracts**

The Act requires every landlord to issue a written statement of contract to the contract-holder, including a new contract-holder in a joint contract, within 14 days of the day on which the contract-holder is entitled to begin to live in the dwelling. This is the "occupation date".

Welsh Government model forms of occupation contracts will be freely available for use. It will not be mandatory to use the model forms of occupation contract but any changes will need to be fair and transparent. In addition, the Act stipulates



certain fundamental and supplementary terms which must be included in the occupation contract.

The terms that must be included in the occupation contracts are:

- Key terms (such as rent, address of property – i.e. things that are unique to the occupation contract).
- Fundamental terms (essential rights and obligations of landlord and tenant – certain terms can be left out or modified but only if the outcome of this is to the advantage of the contract-holder).
- Supplementary terms (maintenance of property etc.) – these can be left out or modified either in favour of the contract-holder or the landlord.
- Additional terms (specific issues the parties want covered by the contract to which there are no statutory provisions, for example, the keeping of pets at the property).

Supplementary provisions will be set out in Regulations made by Welsh Government. These are automatically incorporated into occupation contracts to which they apply *unless both landlord and contract-holder agree*.

### **Exemptions**

A number of arrangements excluded from occupation contracts include; minors, supported housing, shared ownership leases, direct access accommodation, homelessness, holiday lets, care institutions, temporary arrangements, accommodation shared with a landlord and armed forces accommodation.

### **What are the changes?**

From a housing management perspective, the main changes will include the issuing of joint tenancies which will add more flexibility if one tenant wants to leave and enables sole tenancies to add a new tenant. The changes will make it easier for succession and taking back a property where it has been abandoned, and to identify tenancy fraud and address anti-social behaviour.



### **Joint Contracts**

The Act allows for sole tenancies to add new tenancies without prejudicing the current contract. One party can therefore end the contract without ending the contract entirely. This will allow for the contract to continue for the occupiers that still require the accommodation and requires all occupiers to act collectively in order to end the agreement.

### **Death and succession**

The Act sets out a system for succession of occupation contracts, with potential successors falling under priority successors or reserve successors. Priority is provided for spouse/civil partners or those living together as spouses/ civil partners in a dwelling. Reserve successors will apply to other family members who live in the dwelling or for a reserve carer who lives in the dwelling. Priority successors have precedence over reserve successors. Where there are multiple successors of the same type, they can agree among themselves who succeeds or, if unable to agree, the landlord can choose. The system allows for a limited number of successions after which the contract ends with the death of the last contract holder.

### **Abandonment**

The Act aims to make it possible for landlords to end a contract and regain possession of the property, under cases of abandonment, without the need to go to court. Where a property is abandoned, the Act will speed up the process so that the property is ready for re-letting as soon as possible.

The Act provides a procedure whereby a landlord who believes that a tenant or licensee has abandoned the home can serve a notice requiring the tenant or licensee to notify the landlord in writing if they have not abandoned the property before the end of a warning period. The notice must inform the tenant or licensee that the landlord intends to end the contract if, at the end of the warning period, the landlord is satisfied that the property is abandoned. The Landlord can use the warning period to make whatever inquiries are necessary to satisfy that the property is abandoned. At the end of the warning period, if still satisfied that the property is abandoned, then the landlord can serve a notice and treat the tenancy as ended without obtaining a court order.

### **Anti-social behaviour**

All contracts will contain a term prohibiting anti-social behaviour. The Anti-social



behaviour crime and policing act 2014 is unaffected apart from on the grounds of possession. Causing anti-social behaviour can result in eviction or an application to court for a contract to be replaced with a 'prohibited conduct standard contract', resulting in a periodic standard contract and reduced security of occupation. The Welsh Government may by regulation amend Section 55 Anti-Social Behaviour and other prohibited conduct.

### **Security of tenure in the private rented sector**

The Act includes enhanced protection for tenants. A minimum six-month occupation period will be maintained by the Act.

### **Retaliatory Evictions**

The Act will apply to every landlord who seeks to evict a tenant, and they cannot and should not evict a tenant simply because they have made a legitimate complaint against the property.

### **Fitness for human habitation**

The Act provides a new term/duty that requires all landlords to ensure that properties are fit for human habitation at the commencement of, and throughout, the tenancy agreement.

Ministers will be able to pass regulations defining what is fit for human habitation and therefore the Act will introduce prescribed, minimum property standards for landlords to maintain.

### **Implementation**

Welsh Government is currently finalising the implementation process for the Act and anticipates that this will be completed in 2016 in readiness for the Act to be in full operation across Wales in 2017/18. The Welsh Government will continue to engage with stakeholders to minimise administrative burden and will work with stakeholders to develop the implementation process through the Renting Homes Steering Group, of which Community Housing Cymru is a member.

The following outlines the Welsh Government's current plans for implementation:

- Guidance will be provided to landlords and tenants to assist with the changes.



- Model contracts will be made freely available to landlords in advance of the operation date in order to help landlords prepare.
- All existing tenancies would automatically convert to the appropriate new contract on a set date. This will include contracts in arrears.
- New contracts would then be issued at a suitable point, e.g. in private sector when one tenancy ends and another starts.
- Welsh Government will continue to engage with stakeholders to minimise administrative burden.

We will continue to notify members on the development of the Act. If you have any queries on the content of this briefing in the meantime please contact:  
Selina Moyo, Policy Officer on 029 2067 4807 or [Selina-Moyo@hcymru.org.uk](mailto:Selina-Moyo@hcymru.org.uk)