

SEPTEMBER 2021

RENTING HOMES (WALES) 2016 - WHAT YOU NEED TO KNOW



RENTING HOMES (WALES) ACT 2016

- Overview of the Act and what has been changed
- Key Features
- Additional Features
- Model Statements
- Tenancy Consultation
- Implementation

POLICY AND INFLUENCING

TPAS Cymru work with the Welsh Government and other key decision makers. We are contributing to policy change by informing about policy developments and issues, channeling the experience and needs of tenants and landlords to policy makers, and working with partner organisations to influence policy.

OVERVIEW OF THE ACT AND WHAT HAS BEEN CHANGED

The Renting Homes (Wales) Act, 2016 is a major piece of housing law that went through Royal Assent in 2016. It is a major reform of housing law.

- The 2016 Act creates a new and single legal framework for social and private renting. This is important because currently there are many different contracts for different tenancies.
- It creates a single social tenancy for Wales: at the moment there are very significant differences for the rights of tenants of Local Authorities and the rights of tenants from Housing Associations
- It will create better clarity on rights and responsibilities that tenants and landlords have and having those rights and responsibilities set out in written contracts which is important because some of the rights of tenants and responsibilities of landlords are not currently written in statutory law.

KEY FEATURES OF THE 2016 ACT AS IT WAS ORIGINALLY PASSED

Fitness for Human Habitation is an obligation on all Landlords. This ensures things like, working smoke detectors that are linked, working carbon monoxide detectors and that there are electrical safety tests carried out by landlords at least every 5 years.



Addresses Retaliatory Eviction – at the moment, this is something that is often linked to standards, where you can have a situation where a tenant complains to their landlord because their boiler is broken for example and some landlords may not be willing to fix it and see it as an awkward tenant and then issue them with a Section 21 notice to evict them. That will now be addressed by the courts and the tenant won't be evicted if it is deemed as retaliatory.

KEY FEATURES OF THE 2016 ACT AS IT WAS ORIGINALLY PASSED

More Flexible arrangements for joint contracts – This aims to address those unintentional homeless situations that can arise. Because of the way Housing Law currently works, is; if you have joint tenants and one of them ends the contract, that ends the contract for everyone else living in the property. The new Act enables the ability to add and subtract tenants to the contract, without having to start from scratch making a new tenancy agreement.

Increased notice period for a rent increase – Instead of the one-month current notice period, there will be a two-month notice period.

No mandatory ground for eviction for serious rent arrears in secure contracts- At the moment, it is possible for an Assured tenant of a Housing Association to be subject to a mandatory eviction if their rent arrears are more than 8 weeks. Many don't have this in their contracts, but it is written in law and can be used if they want to. This mandatory ground doesn't exist in Local Authority tenancies. So, within the Act, this ground doesn't exist in those secure contracts that 'community landlords' will issue.

KEY FEATURES OF THE 2016 ACT AS IT WAS ORIGINALLY PASSED

Enhanced succession rights – succession rights are currently written in law but the Act has improved those rights.

Simplified procedure for landlords to repossess abandoned properties – At the moment this can be a long-winded process, if the tenant has left the property, the landlord would often apply for a court order to ensure that they have certainty to repossess the property. That procedure is much shorter under renting homes, enabling other people to be homed.

There are two types of contract:

Secure Contract

which are issued as a default by Local Authorities and Housing Associations – named community landlords within the Act. This is similar to the current secure tenancy that is issued by Local Authority Landlords.



Standard Contract which are issued by private landlords and are fixed term/ periodic. This is similar to the Assured Shorthold Tenancy that currently exists.

ADDITIONAL FEATURES FOLLOWING THE AMENDMENTS BILL WHICH RECEIVED ROYAL ASSENT IN APRIL 2021

These amendments were in response to a commitment that Mark Drakeford made in his manifesto when he was elected as First Minister, which was to increase security of tenure in the Private Rented Sector (PRS).



Section 173 notice period set at six months – At the moment, both a housing association and a PRS landlord can issue a Section 21 notice which only has to be served with 2 months' notice. The amendment changes that to a six-month notice period and also calls it a Section 173.

Restrictions on issuing a notice in the first six months – Currently, when you move into a new home, you must live there for four months before you can receive notice. This has now been changed to 6 months, so in total, you will have a minimum of 12 months in a property rather than 6. This is, of course, if the tenancy conditions aren't breached.

ADDITIONAL FEATURES FOLLOWING THE AMENDMENTS BILL WHICH RECEIVED ROYAL ASSENT IN APRIL 2021

Six- month restriction on repeating a retaliatory eviction notice – This is further strengthened in the Act, in that, if a court finds that a landlord has issued a notice as a retaliatory eviction, they will be given a 6 month ban on issuing a Section 173 notice.

MODEL STATEMENTS

The Act requires the Welsh Government to provide 'Model Written Statements'. Landlords are able to develop their own, but it would need to include all of the information that WG provide. This is supposed to make it easier for landlords. The contracts must include:

- **Fundamental Terms:** this is what the law states must be in there. For example, the notice period the landlord must give, fitness for human habitation standards etc.
- **Supplementary Terms:** these are more day-to-day terms, such as, the contact holder must pay the rent on time. These also must be written in by law, but they can be left out if the tenant agrees they don't need to be included.
- **Additional Terms:** This includes things like having pets etc and they can be amended if both parties agree but they must be fair under the terms of the Consumer Rights Act.

TENANT CONSULTATION

If you want to change the additional terms in a contract, there must be a consultation process with tenants, giving due regard to the comments that come back from that consultation. This is the same as what currently happens within Local Authorities if you are to change a term within the secure tenancies. This is only relevant to Local Authority and Housing Association tenants and landlords. If you are a private tenant or landlord, then changing a term must be discussed and agreed between both parties.

SIGNING CONTRACTS

For existing tenancies and new tenancies, a landlord is required by law to issue a contract and whilst it is good practice to get existing contracts 're signed', it is not a legal requirement.

IMPLEMENTATION

Implementation is planned for spring 2022. All the key documents will be made available 6 months prior to implementation. Communication with tenants will begin at this time as Welsh Government plan to work with stakeholders to ensure the messaging is clear and consistent.

NOTE: IF LANDLORDS OR TENANT GROUPS HAVEN'T ALREADY DONE SO, CARRYING OUT AN AUDIT OF WHAT CONTRACTS YOU HAVE AMONGST THE TENANT POPULATION AHEAD OF TIME, WILL SPEED UP THE CONVERSION PROCESS.