

Renting Homes (Wales) Act 2016

Frequently Asked Questions TPAS Cymru Fact Sheet



Introduction

The Renting Homes (Wales) Act 2016 came into law in January 2016 and will affect over 1 million people living in rented accommodation in Wales as almost 1 in 3 households rent from a social or private landlord. However, the implementation of the Act is not expected before spring 2018 as secondary legislation and regulations need to be made before the Act can be implemented. Many of these regulations will also be subject to further public consultation.

Why has a new Act been introduced?

The Renting Homes (Wales) Act aims to make it simpler and easier to rent a home in Wales, replacing various and complex pieces of existing legislation with one clear legal framework. The law applying to renting had become complicated and dated over the years with many different tenancy and licence types resulting in confusion for tenants and landlords alike. Many tenancy agreements are difficult to understand with a lack of clarity on rights and responsibilities which often leads to disputes.

There were also a number of problems with the current system, including the different rights enjoyed by council and housing association tenants and issues around joint tenancies.

What will be the main changes?

One of the main changes in the Act will be the introduction of two new types of 'occupation contract', replacing the majority of existing types of tenancy and licence agreements.

- 1) **A secure contract** - modelled on the current secure tenancy issued by Local Authorities
- 2) **A standard contract** - modelled on the current assured shorthold tenancy used mainly in the private rented sector.

There will also be variations for specific types of housing or circumstances such as in Supported Housing provision.

To help landlords comply with this requirement, the Welsh Government will provide free model contracts which will be written in a way that is easy to understand. It will also be possible for additional terms to be incorporated in the contract. These terms, where reasonable, may include matters such as whether pets are allowed or matters specific to communal areas.

In the Act 'tenants' and 'licensees' are referred to as 'contract-holders' and 'tenancies/licences' are referred to as 'occupation contracts'.



Are there any other changes?

Yes, there are a number of other important changes as the Act seeks to simplify the process for renting homes and provide more transparency and flexibility. Once implemented the Act will:

- require landlords to issue a written statement of the contract which clearly sets out the rights and responsibilities of both landlords and tenants
- require landlords to carry out repairs and ensure rental properties are fit for human habitation
- help protect people from being evicted simply for complaining about the condition of a property
- help to prevent people being made homeless when a joint tenant leaves a tenancy, thereby ending the tenancy for everyone else
- do more to help victims of domestic abuse by enabling the person carrying out the abuse to be targeted for eviction to help prevent those experiencing domestic abuse from becoming homeless
- simplify current succession arrangements to reduce inequalities in how someone can succeed to a tenancy, with a new succession right for carers created
- help a landlord to recover a property in situations where the tenant abandons it which should mean that the property can be let more quickly rather than having to wait for a court order
- include a 'prohibited conduct' clause addressing anti social behaviour, domestic abuse and criminal acts

What might be in the new occupation contracts?

Under the Act all landlords will be obliged to issue their tenants with a written statement of their occupation contract. Whilst many landlords already issue their tenants with written contracts, the Act places new requirements on all landlords to do this. Under the Act every term within a contract will fall into one of four categories. These are:

- **Key terms** – These are unique to the individual contract, for example, the address of the rental property. They must be inserted in every contract.
- **Fundamental terms** – These set out the fundamental rights and obligations of both the landlord and tenant, for example, terms connected to the payment of deposits. They must be inserted in every contract and can only be modified if it's in the interest of the tenant.
- **Supplementary terms** – These terms are automatically inserted into every contract and concern matters such as the maintenance of the property. They can be removed, however, if both the landlord and tenant agree to this. The terms can be removed to either benefit the landlord or the tenant.
- **Additional terms**: These are not automatically inserted into the occupation contract but can be inserted if both the landlord and tenant agree. These terms have no statutory basis but provide a way for the landlord and tenant to cover specific issues with a contract. An example of an additional term is the keeping of pets at the property.

Given this new approach it is important that both landlords and tenants consider what they want to see included in the new occupation contracts.

When will the changes come in?

The implementation of the Act is not expected before spring 2018 as secondary legislation and regulations need to be made before the Act can be implemented. Many of these regulations will also be subject to further public consultation. Consultations and other information on implementation will be publicised at: www.wales.gov.uk/rentinghomes

Current tenancies in Wales will automatically convert to the appropriate new contract under the Act on a specific date. The Welsh Government in collaboration with stakeholders will produce guidance for tenants and landlords alike and will develop a communications strategy to ensure everyone is informed of the forthcoming changes.

TPAS Cymru will be keeping its members updated on opportunities for public consultation and the Acts implementation.

What do landlords need to do next?

There are a number of things that you and your organisation can do to get yourselves ready for the implementation of the Renting Homes (Wales) Act 2017.

Here are six ideas for you to consider:

1. Get your house in order

The Renting Homes (Wales) Act 2016 is not the only piece of housing legislation that has been enacted in Wales in recent years. The Housing (Wales) Act 2014 which has already come into force makes a number of important changes to housing law in Wales. Amongst the most important changes contained within the Act is a new requirement for all private sector landlords in Wales to be registered and new provisions concerning homelessness. If you're not already acting in compliance with these new requirements then now's the time to make sure that everything's in order ahead of the implementation of further changes.

2. Keep an eye out for any consultation

It had originally been anticipated that the Renting Homes (Wales) Act 2016 would come into force in the autumn of 2017. It now seems likely that the secondary legislation and regulations that are required to be in place before the Act can be implemented will not be ready before the spring of 2018. If you haven't already been engaged with the consultation that's ongoing regarding the changes brought about by the Act then this delay gives you an opportunity to get involved. More information on ongoing consultation can be found at - www.wales.gov.uk/rentinghomes

3. Watch out for the date of implementation

The implementation of Renting Homes (Wales) Act 2016 is not expected before the spring of 2018. With the date of implementation having been delayed once already, however, there is still some uncertainty as to when the Act will actually come into force. It's important therefore that you keep an eye out for any news on when the Act will actually come into force.

TPAS Cymru will also be working to keep you updated in this.

4. Communication with your Tenants / Service Users

Changes made by the Renting Homes (Wales) Act 2016 will not just affect new arrangements made after the implementation of the Act, but will also affect existing agreements. Nearly all existing tenancies and licences will automatically be replaced by either the new secure contract or the new standard contract. With this in mind it's important that landlords get in touch with their existing tenants. This will provide an opportunity for both sides to discuss the changes brought about the Act, giving them an opportunity to address any difficulties at an early stage.

Do you have a communication plan, and will it meet the needs of a diverse range of tenants / service users, and is it appropriate for your tenant profile?

5. Inform and train staff

Do you have a plan to keep relevant staff informed of the changes so that they are knowledgeable and trained to introduce the changes and give staff information and advice? Do you have a communication plan for any relevant partner organisations?

6. Consulting with Tenants

As the new 'Occupation Contracts' contain supplementary and additional terms, it is important that the landlords consult with tenants as to what they want to see included in the new contracts. Do you have a plan to consult with your tenants on this?

Where can you find out more information?

Welsh Government information on the Act:
www.wales.gov.uk/rentinghomes



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