

Landlords Lettings Legislation FAQs.

When will the new law apply?

The Renting Homes (Wales) Act 2016 comes into effect on 1st December 2022. All of the regulations made under the Act (e.g. the Fitness for Human Habitation Regulations) will also come into effect on the same date.

What happens to existing contracts (formerly tenancies)?

Under the new law 'occupation contracts' will replace existing tenancies and licences.

There are two main types of occupation contract: standard and secure. Standard contracts will replace assured shorthold tenancies.

On 1st December 2022, all existing occupation tenancy agreements automatically convert to an occupation contract. For example, if an existing tenancy (now known as contract) is a fixed term assured shorthold tenancy, it will convert to a fixed term standard occupation contract. If it is a periodic assured shorthold tenancy, it will convert to a periodic standard contract.

We are preparing to issue all existing tenancies (now known as contracts) under our management with a written statement for converted contracts, there is a six month grace period for this to be completed by 1st June 2023.

If you manage my own dwelling (formerly property) what do you need to do to comply with the requirement to provide a written copy of the occupation contract?

You will need to draw up a written statement to use for new occupation contracts from 1st December. The model written statements should provide a good basis for this. For all your existing tenancies or licences, you will need to consider which of your existing terms need to be carried across to the written statement of the converted contract. You will then need to provide a copy of the written statement to your existing contract-holders (formerly tenants) by 1st June 2023. If you would like assistance with issuing a written statement for your existing tenancies, please contact your local Moginie James branch.

How can you convert your existing tenancy agreement or licence into an occupation contract?

The Welsh Government's website contains information and advice on the Act, including model written statements for the new occupation contracts which can be downloaded and used by landlords. [Read the guidance on creating a converted occupation contract.](#)

When do you need to provide written occupation contracts to your existing contract-holders (formerly tenants)?

For converted contracts you have up to six months from 1st December 2022 to provide your existing contract-holders (formerly tenants) or licensees with a written statement of the contract.

For new occupation contracts which begin on or after 1st December 2022 you will be required to issue the written statement within 14 days of the occupation date under the contract. With all new agreements carried out through Moginie James, contracts our Move Management team are ready to issue all new contract holders with a compliant contract in line with the legislation.

For existing tenancies, landlords should carefully consider all of the terms in tenancy agreements (now known as occupation contracts) which are already in place and then make the necessary changes to the relevant model written statement to ensure that these terms are carried over into the new occupation contract. Guidance on creating a converted contract can be found on the gov.wales website.

Are landlords required to provide an inventory for an unfurnished dwelling (formerly property)?

The Renting Homes legislation includes a supplementary provision requiring an inventory to be provided. The provision states, 'the inventory must set out the dwelling's contents'. If the dwelling (formerly property) is unfurnished the inventory would reflect this and may refer only to fixtures. It is in both parties interests to have an accurate inventory.

We have the ability to provide Inventory services which will comply with the current legislation, further details can be found by contacting your local branch.

Can you still be able to regain possession without having to cite a fault on the part of the contract-holder (formerly tenant) (currently done using a 'section 21 notice')?

You will still be able to issue a 'no-fault' notice to end a periodic standard contract – this is called a Landlord's Notice – under section 173 of the new law. Section 173 enables a landlord to regain possession without having to give a reason for doing so.

For contracts signed before 1st December, and which are periodic tenancies that convert to periodic standard contracts on that date, a two-month no-fault notice period will apply after 1st December until the 1st of June 2023, where all contracts will then be subject to a six month no-fault notice.

The six-month no-fault notice period applies immediately to occupation contracts which begin on or after 1st December 2022.

A section 173 notice cannot generally be served during a fixed term standard contract (similar to a fixed term AST) and can only be served during a periodic standard contract after the first six months of occupation. This means that a contract-holder who does not breach the terms of their contract is entitled to occupy for a minimum of one year from the occupation date of a new contract.

If you have started possession proceedings prior to Renting Homes commencing (using a Section 21 notice) will the tenancy still become a contract?

Yes. It will convert automatically to an occupation contract on 1st December, however the possession proceedings can also be continued on the basis of the Section 21 notice served prior to implementation.

Can you issue a six-month fixed term contract instead?

You can issue a fixed term standard contract of any length but if a new fixed term contract is not agreed before the end of the fixed term and the contract-holder (formerly tenant) remains in occupation after the end of the fixed term, a periodic standard contract will automatically arise. Importantly, a fixed term contract cannot generally be ended by issuing a Landlord's Notice during the fixed term period.

Is your contract-holder (formerly tenant) required to sign and return the written statement document?

There is no statutory requirement for a contract-holder to do so. However it is good practice to encourage them to sign the document in order to confirm understanding. The contract-holder should keep the signed document in a safe place should they need to refer to it at a later date.

How can you evict a contract-holder (formerly tenant) who is not paying rent?

If a contract-holder stops paying rent, the landlord is able to serve a possession notice on the basis that they have breached their contract (which has a one-month notice period). Or, if they are in serious rent arrears (two months or more non-payment) a landlord may serve a notice on that ground, which has a 14 day notice period.

Our Property Management and Credit Control teams are committed to ensuring that should there be a breach of contract Landlords will be able to regain possession of the dwelling (formerly property) in a swift and efficient manner under the new legislation. For our Premier Managed clients, this process is handled 100% by our in house team.

How much notice does a contract-holder (formerly tenant) have to give if they want to end the contract?

The notice period a contract-holder (or 'tenant' as they were known under previous law) is required to give to end a contract is a minimum of 4 weeks. However the contract-holder cannot end a fixed term standard contract, unless a contract-holder's break clause has been included.

Will you still be able to increase the rent every year (if needed)?

Yes. A landlord is required to give two months' notice of a rent variation, which may be issued annually.

What about joint contract-holders (formerly tenants): will anything change under the new law?

The Act will introduce new provisions around joint contract-holders. This will allow a contract-holder to be added or removed from a joint contract, without the need to end the contract for all, as is currently the case.

All contract-holders must be given a written statement of the occupation contract.

What happens if you rent to students and currently use 9 month assured shorthold tenancies, will you still be able to issue a 9 month contract?

Under the new law a fixed term standard contract can be agreed for any length of time. However, should a contract-holder remain in occupation at the end of fixed term, a periodic standard will arise and the landlord could seek possession by issuing a notice under section 173 of the Act (unless there are other grounds on which possession may be sought: breach of contract, rent arrears, etc.). This would then incur a six month notice period.

What if the dwelling (formerly property) is mortgaged and for whatever reason the mortgage lender wishes to gain vacant possession?

If the mortgage lender repossess the dwelling (formerly property) and becomes the landlord they would then be able to issue a 6 month notice under a Landlord's Notice for a periodic standard contract.

Do contract-holder (formerly tenant) deposit schemes remain the same from 1st December?

Yes. Existing deposits protected in approved schemes will be unaffected.

What are the Fitness for Human Habitation Requirements?

The aim of the Fitness Regulations is one of prevention, to help ensure landlords maintain dwellings to prevent them from becoming unfit for human habitation.

The new law places an obligation on the landlord to ensure the dwelling is fit for human habitation. Regulations set out further information on the fitness for human habitation requirement. A contract-holder will not be liable to pay rent for any period during which the dwelling (formerly property) is deemed to be unfit, and a landlord will not be able to issue a Landlord's Notice, or break clause if they are not in compliance with the Fitness requirements.

If a contract-holder believes that a dwelling (formerly property) is unfit but the landlord does not agree it would ultimately be for the court to decide whether a dwelling (formerly property) is unfit based on the standards set out in the Regulations. A court claim would be made the same way as a disrepair claim currently. However, if a contract-holder withheld rent on the basis the dwelling (formerly property) was unfit, this would potentially create a ground for possession, this being either breach of contract or the serious rent arrears ground.

For our managed clients our Property Management team are already in the process of ensuring all our dwellings (formerly properties) will be compliant for each specific part of the legislation within the allotted time frames.

Has the law changed in relation to smoke alarms?

Yes. The new requirements are set out in the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022. Regulation 5 says that:

(1) The landlord must ensure that, during each period of occupation, on each storey of the dwelling there is a smoke alarm which is:

(a) in repair and proper working order,

(b) connected to the dwelling's electrical supply, and

(c) linked to every other smoke alarm in the dwelling which is connected to the electrical supply.

Therefore, whilst it is not a requirement that every smoke alarm at a dwelling (formerly property) is connected to the dwelling's electrical supply, at least one smoke alarm on each storey of the dwelling must be.

Provided that this requirement is met there is nothing to prevent additional battery powered alarms from being fitted, which (as they are not hardwired) do not have to be interlinked. For new contracts which begin on or after 1st December 2022 landlords will need to ensure dwellings (formerly properties) they let in Wales comply with these requirements. For tenancies which existed before 1st December 2022 landlords will have 12 months to comply with these requirements (i.e. by 1st December 2023).

Has the law changed in relation to carbon monoxide alarms?

Yes. The new requirements are set out in the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022. Regulation 5 says, amongst other things, that:

The landlord must ensure that, during each period of occupation, a carbon monoxide alarm which is in repair and proper working order is in each room of the dwelling which contains a gas appliance, an oil fired combustion appliance or a solid fuel burning combustion appliance.

The Regulations do not stipulate whether the carbon monoxide alarms should be battery powered or connected to the dwelling's electrical supply. These requirements will apply to all occupation contracts from 1st December 2022.

Has the law changed in relation to electrical safety?

Yes. The new requirements are set out in the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022. Regulation 6 requires the landlord to ensure there is a valid electrical condition report (a copy of which must be provided to the contract-holder) in respect of the dwelling during each period of occupation.

An electrical condition report is provided following an inspection of the dwelling's (formerly property's) electrical installation. This report will remain valid for a maximum period of 5 years beginning with the day on which electrical safety inspection is carried out. This five-year period may be reduced if the report indicates the need for testing at shorter intervals.

For new contracts which begin on or after 1st December 2022 landlords will need to ensure dwellings (formerly properties) they let in Wales comply with these requirements. For tenancies which existed before 1st December 2022 landlords will have 12 months to comply with these requirements (i.e. by 1st December 2023).

Our lettings teams will be able to discuss further what regulations apply to you depending on the individual circumstances, should you want more information regarding how these changes in legislation may impact you please [contact your local branch](#):

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