

Renting Homes (Wales) Act 2018



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What is this & why does it matter?

- Complete overhaul of residential L&T law in Wales
- Entirely new code of law (e.g. end of the lease/licence distinction; end of the AST)
- Expected to come into force some time next year
- Affects *everyone* – LL, T, mortgage lenders, LPA receivers *etc*

Background

“Renting Homes” - Law Commission report in 2006

- Housing Law is too complex
 - *Parry v Harding* [1925] 1 KB 111. Lord Hewart CJ

“It is deplorable that in dealing with such a matter as this, a Court, and still more a private individual, and most of all a private individual who lives in a small tenement, should have to make some sort of path through the labyrinth and jungle of these sections and schedules. One would have thought that this was a matter above all others which the Legislature would take pains to make abundantly clear.”

Background (2)

“Renting Homes” - Law Commission report in 2006

- Landlord neutrality – the nature and status of your LL should not be determinative of your rights
- Consumer Protection
 - All relevant material should be in one place and one accessible document – no more implied terms *etc*

So what did the Law Commission propose?

2006 report proposed replacing the existing (28?) forms of tenancy with two main forms

- Secure contract (modelled on HA 1985 secure tenancy)
- Standard contract (modelled on HA 1988 AST)

In principle, any kind of LL could use either kind of tenancy

There would be prescribed terms of tenancy which must always be included and then scope for personalised terms on other issues. Modifications would only be possible if they benefited the contract-holder

So what did the Law Commission propose? (2)

Prescribed written forms of contract with sanction for LLs who didn't provide a written copy of the terms

Overturn the rule in *Hammersmith & Fulham LBC v Monk* (as affirmed in *Sims v Dacorum BC*) so that someone can be added or removed as a joint tenant

Draft Bill produced. Westminster government did nothing with it.

2012 – Welsh Gov announces that it wants to take Renting Homes forward

2013 – The earlier (2006) report is updated for Wales

“In terms of housing law, the very purpose of the initial exercise was to seek to establish the proposition that what it was dealing with was not property, but accommodation - the notion that to own housing was not a pure exercise in investment but about places where people lived, to which the essential corollary is that no one should be turned out of a home without very good cause....Another parameter related to housing conditions - what is tolerable in housing is very different from what may be tolerable in commercial or industrial property, and ought not to be determined by an abstract construction of the balance of responsibilities indiscriminately applicable to all lettings”

So what does it do?

The new concept of the “occupation contract” under which you rent your home

Two main types

- Secure (expected to be offered by “community landlords”)
- Standard (expected to be offered by private landlords)

But nothing to stop a private LL offering a Secure Occupation Contract

- So do mortgage lenders on BTL need to prohibit that? No point just saying “can only grant an AST” because the AST won’t exist in Wales

So what does it do? (2)

Prescribed model contracts albeit with some (relatively minor) scope to vary them to the benefit of the occupier

- If written contract not provided then court can declare the terms and LL has to pay compensation (assessed at not less than 100% of the rent for the period of breach!)
- (pity the poor LPA receiver who will have to check this has all been done)

Succession to spouse, family member or carer.

So what does it do? (3)

LL Possession claims

- Breach of contract + reasonableness
- Ground + reasonableness

For standard contracts only

- 6 month notice only ground
- Also has a “Ground 8” equivalent, but “... subject to any available defence based on the contract-holder's Convention rights...”; so is *McDonald v McDonald* (and *JFM v UK*) back for re-argument?

Thank you for listening

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