



# Renting Homes (Wales) Act 2016

2016 anaw 1

## PART 1

### OVERVIEW OF ACT

*Introduction to Parts 1 and 2 and key concepts in this Act*

#### **1 Occupation contracts**

- (1) This Act (in Part 2) provides that—
- (a) most individuals who rent their homes under a tenancy or licence, and their landlords, make a contract with each other known as an occupation contract (and in this Act such individuals are referred to as “contract-holders”; see section 7);
  - (b) there are two kinds of occupation contract, namely—
    - (i) secure contracts, and
    - (ii) standard contracts;
  - (c) there are two kinds of standard contract, namely—
    - (i) fixed term standard contracts, and
    - (ii) periodic standard contracts,and the two kinds of standard contract differ in relation to their variation, transfer and termination.
- (2) Each kind of occupation contract (and each kind of standard contract) gives different rights to, and imposes different obligations on, the contract-holder and landlord; a secure contract gives greater security of occupation to the contract-holder than a standard contract.

#### **2 Kinds of landlord**

- (1) This Act (in Part 2) provides—
- (a) for two kinds of landlord—

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*Status: This is the original version (as it was originally enacted).*

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- (i) community landlords (which are local authorities, registered social landlords and other kinds of authority), and
- (ii) private landlords (which are any landlords who are not community landlords);
- (b) that both kinds of landlord may make, or adopt, specific kinds of occupation contract (though this is subject to various exceptions).

(2) In general—

- (a) occupation contracts made with or adopted by community landlords are secure contracts, and
- (b) contracts made with or adopted by private landlords are standard contracts, but this is subject to various exceptions.

### **3 Fundamental provisions and supplementary provisions of occupation contracts**

- (1) Part 2 of this Act establishes the concept of a “fundamental provision”; that is, a provision of this Act (generally a section) which is automatically included as a term of all occupation contracts, or of specified occupation contracts (and so forms part of the contract between a contract-holder and a landlord).
- (2) Once a fundamental provision of this Act is included in an occupation contract, it is referred to as a “fundamental term” of the contract (see section 19).
- (3) At the creation of the contract, the parties can agree that a fundamental provision will be included in the contract with changes (referred to in this Act as “modifications”) or that it will not be included at all; however, the parties can only do either of these things if it will improve the contract-holder’s position, and there are some fundamental provisions which must be included without changes.
- (4) Once an occupation contract has been created the parties can vary its fundamental terms; but there are certain limits to this.
- (5) Part 2 of this Act also establishes the concept of a “supplementary provision”; that is, a provision set out in regulations made by the Welsh Ministers which is automatically included as a term of all occupation contracts, or of specified occupation contracts.
- (6) Once a supplementary provision is included in an occupation contract, it is referred to as a “supplementary term” of the contract (see section 23).
- (7) At the creation of the contract, the parties can agree that a supplementary provision will be included in the contract with modifications or that it will not be included at all, and once an occupation contract has been created, the parties can vary its supplementary terms; but there are certain limits to this.

### **4 Identifying provisions of this Act which are fundamental provisions**

- (1) Each provision of this Act which is a fundamental provision—
  - (a) specifies that it is a fundamental provision, and
  - (b) specifies the occupation contracts it is applicable to.
- (2) Schedule 1 contains three Parts, identifying the fundamental provisions in this Act as follows—
  - (a) Part 1 identifies the fundamental provisions that are applicable to secure contracts,

- (b) Part 2 identifies the fundamental provisions that are applicable to periodic standard contracts, and
- (c) Part 3 identifies the fundamental provisions that are applicable to fixed term standard contracts.