

RENTING HOMES (WALES) ACT 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2 - Occupation contracts and Landlords

Chapter 2 - Nature of Contracts Which Can Be Made Etc. by Community Landlords and Private Landlords

Section 16 – Introductory standard contracts

85. This section establishes the concept of an ‘introductory standard contract’. A new occupation contract made with a community landlord (or a contract adopted by a community landlord) is an introductory standard contract if the landlord gives the contract-holder notice of that fact under section 13. This section provides that introductory standard contracts are periodic standard contracts during the introductory period (generally twelve months unless that period is extended; see Schedule 4). At the end of the introductory period the introductory standard contract ends and is replaced by a secure contract unless a private landlord becomes the landlord under the contract. If a private landlord becomes the landlord before the end of the introductory period, the introductory period will end, and the contract will continue as a standard contract (because of section 17(3)).
86. The introductory standard contract provides less security of occupation than a secure contract. Introductory standard contracts allow community landlords to ascertain, during the introductory period, whether a contract-holder can sustain a secure contract. In instances where the contract-holder has demonstrated that they will not be able to sustain a secure contract, if section 173 is incorporated as a term of the contract without modification, the landlord can seek to terminate the contract by notice, which means that an introductory standard contract can be terminated more swiftly than is possible under a secure contract.