

RENTING HOMES (WALES) ACT 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 9 - Termination Etc. of Occupation Contracts

Chapter 3 - Termination of All Occupation Contracts (Possession Claims by Landlords)

Section 157 – Breach of contract

366. This section provides that breach of the contract by the contract-holder is a ground on which the landlord may seek possession.

Section 158 – False statement inducing landlord to make contract to be treated as breach of contract

367. This section provides that breach of contract includes circumstances where a landlord is induced to enter into an occupation contract as a result of a false statement made by the contract-holder or someone instigated to act by the contract-holder. This means that something done before the contract is entered into is a breach of contract. Section 20 provides that section 158 must be incorporated without modification as a term of all occupation contracts.

Section 159 – Restrictions on section 157

368. This provides that a landlord, before making a possession claim under the term of the contract incorporating section 157, must give the contract-holder a possession notice setting out that ground. Subsection (2) provides that where the landlord relies on a breach of the prohibited conduct ground (which is addressed in section 55), the landlord may make a claim on the day the notice is given to the contract-holder. Subsection (3) provides that in the case of other breaches, the landlord may not make the claim less than one month after the date the landlord gave notice. Subsection (4) provides that any possession claim relating to a contract-holder's breach of contract must be made within 6 months of the date of the landlord giving the notice.

Section 160 – Estate management grounds

369. A landlord who wishes to seek possession of a dwelling using one of the estate management grounds (set out in Part 1 of Schedule 8, which is also a fundamental provision) may apply to the court for a possession order.

370. Should the court make an order for possession, the landlord must pay the reasonable relocation expenses likely to be incurred by the contract-holder. This is not the case with Grounds A (building works) and B (redevelopment schemes), in relation to which the contract-holder is entitled to a 'home loss payment' under section 29 of the Land Compensation Act 1973.

Schedule 8 - Estate Management Grounds

Part 1 – The Grounds

371. **Part 1** of this Schedule sets out the estate management grounds under which landlords of all occupation contracts can make a possession claim, subject to having complied with the notice requirements and time limits in section 161.
372. There are three principal types of ground: redevelopment grounds; special accommodation grounds; and under-occupation grounds. There is also an ‘other estate management reasons’ ground to address a substantial reason relating to the management of an estate which is not covered by the other grounds. The following paragraphs set out the circumstances in which each of the estate management grounds arise.

Redevelopment grounds

Paragraph 1 - Ground A (building works)

373. The landlord intends to demolish or rebuild the dwelling or part of the building in which the dwelling is located, or carry out work on the dwelling or the building in which the dwelling is located or any land which is part of the dwelling (as to which, see the definition of dwelling in section 246(1)(b)), which could not reasonably be done without obtaining possession of the dwelling.

Paragraph 2 - Ground B (redevelopment schemes)

374. This ground is satisfied if either of two conditions is met. The first condition is that the dwelling is in an area which is subject to an approved redevelopment scheme (the approval process for such schemes is set out in Part 2 of the Schedule), and the landlord intends to dispose of the dwelling in accordance with the scheme within a reasonable period after obtaining possession. The second condition is that part of the dwelling is within the area of an approved redevelopment scheme and the landlord intends to dispose of the dwelling in accordance with the scheme within a reasonable period after obtaining possession, and therefore reasonably requires possession.

Special accommodation grounds

Paragraph 3 - Ground C (charities)

375. The landlord is a charity and the continued presence of the contract-holder would conflict with the objects of that charity. This is subject to the proviso that at the time the contract was made, and at all times since that date, any person who was the landlord has been a charity.

Paragraph 4 - Ground D (dwellings suitable for disabled people)

376. The dwelling is substantially different from ordinary dwellings in order to accommodate a person with a physical disability, no such person currently lives in the property and the landlord requires it for such a person.

Paragraph 5 - Ground E (housing associations and housing trusts: people difficult to house)

377. The landlord is a housing association or housing trust which provides dwellings specifically for those difficult to house, no such person is living in the dwelling or any such person who is a contract-holder has been offered a secure contract relating to another dwelling, and the landlord requires the dwelling for occupation by such a person. Sub-paragraph (2) sets out the meaning of ‘difficult to house’ for the purpose of this Ground.

Paragraph 6 - Ground F (groups of dwellings for people with special needs)

378. The dwelling is part of a group of dwellings which the landlord provides to people with special needs, there is a social service or special facility in close proximity to assist people with those special needs, there is no longer a person with those special needs living in the dwelling and the landlord requires the dwelling for a person with those needs.

Under-occupation grounds

Paragraph 7 - Ground G (reserve successors)

379. The contract-holder succeeded to the contract as a reserve successor (i.e. a family member or carer who is not a priority successor; see sections 73, 76 and 77) following the death of the previous contract-holder, and the dwelling is larger than reasonably required. In such cases, under the term of the contract incorporating section 161(4), the landlord may not give the possession notice until at least six months have passed since the landlord became aware of the death of the previous contract-holder, and no later than twelve months after that date.

Paragraph 8 - Ground H (joint contract-holders)

380. A joint contract-holder has withdrawn or been excluded from the contract, and either the property is larger than reasonably required by the remaining contract-holder(s), or, if the landlord is a community landlord, the remaining contract-holder(s) do not meet the landlord's criteria for the allocation of housing. In such cases, under section 161(5), the possession notice must be given to the remaining contract-holder(s) within six months of the former joint contract-holder ceasing to have rights and obligations under the contract.

Other estate management reasons

Paragraph 9 - Ground I (other estate management reasons)

381. There is some other substantial estate management reason, including in relation to other premises of the landlord to which the dwelling is connected in some way.

Section 161 - Restrictions on section 160

382. A landlord seeking possession of a dwelling on an estate management ground must give the contract-holder a possession notice specifying the ground. The landlord may not make a possession claim within one month of, or six months after, the date the notice was given.
383. Where a scheme including the disposal and demolition or reconstruction of buildings, or the carrying out of other works to buildings or land, has been approved as a 'redevelopment scheme' under Part 2 of Schedule 8, but the approval is subject to conditions, the landlord may give a possession notice under estate management Ground B (redevelopment scheme) before the conditions are met.
384. Where a reserve succession has taken place following the death of the contract-holder, and the dwelling is more extensive than reasonably required by the successor, a landlord seeking possession under estate management Ground G cannot give the possession notice within six months of, or twelve months after, the date on which the landlord became aware of the previous contract-holder's death. Where there are joint landlords, the restrictions on making a possession claim on this ground will run from the date on which any of one the joint landlords becomes aware of the contract-holder's death.
385. A landlord seeking possession under estate management Ground H (departing joint contract-holder) may not give a possession notice specifying the Ground later than six

months after the date on which the joint contract-holder's rights and obligations under the contract ended.

Section 162 - Estate management grounds: redevelopment schemes

386. **Part 2** of Schedule 8 (approval of redevelopment schemes) makes provision supplementing estate management Ground B.

Schedule 8 - Estate Management Grounds

Part 2 - Approval of redevelopment schemes for purposes of Ground B

387. **Part 2** of Schedule 8 sets out the process for obtaining approval from the Welsh Ministers, for the purposes of estate management Ground B, for a 'redevelopment scheme'; that is, a scheme for the disposal and redevelopment of an area of land which includes all or part of a dwelling subject to an occupation contract. This Part also concerns approval of variations of such schemes.

Paragraph 11

388. In addition to providing for the approval of redevelopment schemes and any variations, this paragraph defines the terms 'disposal' and 'redevelopment'.

Paragraph 12

389. This paragraph sets out the requirements in relation to the notice that must be given to contract-holders if a redevelopment scheme is proposed, or if a variation of such a scheme has been proposed. It provides for a 28 day period during which the contract-holder may make representations. No application can be made to the Welsh Ministers to approve a redevelopment scheme, or variation of a scheme, before any such representations are considered.
390. Where a landlord would otherwise be required to consult the contract-holder under arrangements it has made in accordance with section 234, sub-paragraphs (6) and (7) remove that requirement due to the consultation required by this paragraph.

Paragraph 13

391. This paragraph sets out the matters that must be taken into account by the Welsh Ministers in considering an application, including any representations made to them. The landlord must also give the Welsh Ministers information they request on any representations made under paragraph 12.

Paragraph 14

392. The Welsh Ministers may not approve a scheme or variation such that only part of a dwelling, or a dwelling unaffected by works but proposed to be included in any disposal, is included within the area of the scheme, unless satisfied that inclusion is justified.

Paragraph 15

393. This paragraph enables the Welsh Ministers to give any approval subject to conditions, and to make the approval valid only for a limited time. Conditions and time limits can be varied by the Welsh Ministers on the application of the landlord, or for any other reason.

Paragraph 16

394. This paragraph provides that, for the purposes of Part 2 of the Schedule, a community landlord is a landlord in relation to a dwelling if it has any kind of interest in the dwelling. This interest may be other than a freehold or leasehold interest.