



Renting Homes (Wales) Act 2016

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PART 7

PROVISIONS APPLYING ONLY TO FIXED TERM STANDARD CONTRACTS

CHAPTER 1

OVERVIEW

132 Overview of Part

This Part applies only to fixed term standard contracts, and addresses—

- (a) exclusion of the contract-holder from the dwelling for specified periods,
- (b) variation of fixed term standard contracts,
- (c) withdrawal of joint contract-holders from certain fixed term standard contracts, and
- (d) dealing (that is, transfers).

CHAPTER 2

EXCLUSION FOR SPECIFIED PERIODS

133 Exclusion of contract-holder from dwelling for specified periods

- (1) A fixed term standard contract may provide that the contract-holder is not entitled to occupy the dwelling as a home for such periods as are specified in the contract.
- (2) The contract may specify periods for the purpose of subsection (1) by reference to any matters reasonably ascertainable by the contract-holder (as well as by reference to specified dates).

CHAPTER 3

VARIATION OF CONTRACTS

134 Variation

- (1) A fixed term standard contract may not be varied except—
 - (a) by agreement between the landlord and the contract-holder, or
 - (b) by or as a result of an enactment.
- (2) A variation of a fixed term standard contract (other than by or as a result of an enactment) must be in accordance with section 135.
- (3) This section is a fundamental provision which is incorporated as a term of all fixed term standard contracts; section 20 provides that subsections (1)(b) and (2) of this section—
 - (a) must be incorporated, and
 - (b) must not be incorporated with modifications.

135 Limitation on variation

- (1) A fundamental term of a fixed term standard contract which incorporates any of the fundamental provisions to which subsection (2) applies may not be varied (other than by or as a result of an enactment).
- (2) This subsection applies to the following fundamental provisions—
 - (a) section 134(1)(b) and (2) and this section,
 - (b) section 45 (requirement to use deposit scheme),
 - (c) section 52 (joint contract-holder ceasing to be a party to the occupation contract),
 - (d) section 55 (anti-social behaviour and other prohibited conduct),
 - (e) section 148 (permissible termination),
 - (f) section 149 (possession claims),
 - (g) section 155 (death of sole contract-holder),
 - (h) section 158 (securing contract by use of false statement),
 - (i) section 186(2) and (4) (restriction on ending fixed term standard contract during first six months of occupation),
 - (j) section 196 (restriction on use of landlord's break clause in a fixed term standard contract during first four months of occupation), and
 - (k) section 198 (breach of deposit requirements: contracts with a landlord's break clause).
- (3) A variation of any other fundamental term (other than by or as a result of an enactment) is of no effect—
 - (a) unless as a result of the variation—
 - (i) the fundamental provision which the term incorporates would be incorporated without modification, or
 - (ii) the fundamental provision which the term incorporates would not be incorporated or would be incorporated with modification, but in the contract-holder's opinion the effect of this would be that the position of the contract-holder is improved;

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- (b) if the variation (regardless of whether it is within paragraph (a)) would render the fundamental term incompatible with a fundamental term which incorporates a fundamental provision to which subsection (2) applies.
- (4) A variation of a term of a fixed term standard contract is of no effect if it would render a term of the contract incompatible with a fundamental term (unless that fundamental term is also varied in accordance with this section in a way that would avoid the incompatibility).
- (5) Subsection (4) does not apply to a variation made by or as a result of an enactment.
- (6) This section is a fundamental provision which is incorporated as a term of all fixed term standard contracts, but subsection (2)(k) is not incorporated as a term of a contract which does not have a contract-holder's break clause; section 20 provides that this section—
 - (a) must be incorporated, and
 - (b) must not be incorporated with modifications.

136 Written statement of variation

- (1) If a fixed term standard contract is varied in accordance with the contract or by or as a result of an enactment the landlord must, before the end of the relevant period, give the contract-holder—
 - (a) a written statement of the term or terms varied, or
 - (b) a written statement of the contract as varied.
- (2) The relevant period is the period of 14 days starting with the day on which the contract is varied.
- (3) The landlord may not charge a fee for providing a written statement under subsection (1).
- (4) This section is a fundamental provision which is incorporated as a term of all fixed term standard contracts.

137 Failure to provide written statement etc.

- (1) If the landlord under a fixed term standard contract fails to comply with a requirement under section 136 the landlord is liable to pay the contract-holder compensation under section 87.
- (2) The compensation is payable in respect of the relevant date and every day after the relevant date until—
 - (a) the day on which the landlord gives the contract-holder a written statement of the term or terms varied, or of the contract as varied, or
 - (b) if earlier, the last day of the period of two months starting with the relevant date.
- (3) Interest on the compensation is payable if the landlord fails to give the contract-holder a written statement on or before the day referred to in subsection (2)(b).
- (4) The interest starts to run on the day referred to in subsection (2)(b), at the rate prevailing under section 6 of the [Late Payment of Commercial Debts \(Interest\) Act 1998 \(c. 20\)](#) at the end of that day.

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- (5) The relevant date is the day on which the contract was varied.
- (6) Subsections (1) to (5) do not apply if the landlord's failure to comply with the requirement is attributable to an act or omission of the contract-holder.
- (7) If under section 136 the landlord gives the contract-holder a written statement of the contract as varied, sections 36 and 37 (incomplete and incorrect statements) apply to the statement as if references in those sections to the relevant date were to the day on which the contract was varied.

CHAPTER 4

JOINT CONTRACT-HOLDERS: WITHDRAWAL

138 Withdrawal of joint contract-holder using contract-holder's break clause

- (1) If a fixed term standard contract contains a contract-holder's break clause, it may provide that if there are joint contract-holders, a notice given to the landlord by one or more (but not all) of them that purports to be a notice under the break clause is to be treated as a notice that the joint contract-holder intends (or the joint contract-holders intend) to withdraw from the contract ("a withdrawal notice").
- (2) If it does so, it must also make provision equivalent to subsections (4) and (5) of sections 111 and 130.

CHAPTER 5

DEALING: TRANSFERS

Sole contract-holder

139 Transfer on death of sole contract-holder

- (1) A fixed term standard contract may provide that on the death of a sole contract-holder, the contract may be transferred in the course of the administration of the contract-holder's estate.
- (2) Section 73 (right to succeed) does not apply to a fixed term standard contract that contains such provision.
- (3) Section 155 (termination of contract on death) is not incorporated as a term of a fixed term standard contract that contains such provision.

Joint contract-holders

140 Forced transfers

- (1) A fixed term standard contract may provide that if there are joint contract-holders, one or more of them may require the other joint contract-holder or joint contract-holders to join in a transfer of the contract in accordance with the contract.

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- (2) If the contract contains such provision, the joint contract-holder or joint contract-holders wishing to transfer the occupation contract may apply to the court for an order that the other joint contract-holder or joint contract-holders join in the transfer.
- (3) The court may make the order applied for if it thinks fit.

141 Joint contract-holder's interest

- (1) This section applies if a fixed term standard contract provides that a joint contract-holder may transfer his or her rights and obligations under the contract.
- (2) The contract must also provide that a transfer may not be made unless the transferor gives notice to the other joint contract-holders that a transfer will be made.
- (3) The contract must also provide that the transferee is not entitled to occupy the dwelling without the consent of the other joint contract-holders.

142 Transfer on death of joint contract-holder

- (1) This section applies if a fixed term standard contract provides that on the death of a joint contract-holder his or her rights and obligations under the contract may be transferred in the course of the administration of his or her estate.
- (2) The contract must also provide that a transfer may not be made unless the joint contract-holder gives notice to the other joint contract-holders before his or her death that such a transfer will be made.
- (3) The contract must also provide that the transferee is not entitled to occupy the dwelling without the consent of the other joint contract-holders.