

# RENTING HOMES (WALES) ACT 2016

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 5 - Provisions Applying Only to Secure Contracts**

##### *Chapter 4 - Dealing*

295. *Chapter 4* sets out specific provisions relating to dealing under secure contracts, specifically the ability to take in a lodger and to transfer the contract to a potential successor.

##### *Section 113 – Lodgers*

296. If this section is incorporated as a term of a secure contract without modification, a contract-holder under a secure contract may take in a lodger without obtaining the landlord's permission. 'Lodger' is defined in section 244.

##### *Section 114 and 115 - Transfer to potential successor*

297. If this section is incorporated as a term of a secure contract without modification, a contract-holder under the secure contract may, with the landlord's consent, transfer the occupation contract to a potential successor or, where there is more than one potential successor, to those successors who wish to be included in the transfer. If there is only one contract-holder, a potential successor is a person who would be qualified to succeed to the contract under section 74 if the contract-holder died (see note above). If there are joint contract-holders, a potential successor is a person who would be qualified to succeed to the contract under section 74 if a joint contract-holder died and, at the time of death, he or she was the only contract-holder.
298. Under section 115, what is reasonable for the landlord to take into account when considering whether to grant consent to a transfer that is requested under a term of the contract that incorporates section 114 is to be determined in accordance with Schedule 6 (and see in particular paragraph 11). Paragraph 12 of Schedule 6 enables the landlord to make it a condition of consent that, if the landlord considers that the probable effect of giving consent is to lengthen substantially the period during which the occupation contract is likely to continue in force, then the potential successor is to be treated as a priority successor or as a reserve successor in relation to the occupation contract.