

**Consultation Response: Welsh Government Consultation
Renting Homes (Amendment) (Wales) Bill**

Response from CLA Cymru 12 March 2020

1.0 CLA Cymru: The Voice of the Rural Economy in Wales

- 1.1 One-third of the Welsh population live in rural areas, while the rural economy supports some 459,000 people. CLA Cymru represents a broad range of economic players including farms and farm businesses which have diversified into additional enterprises.
- 1.2 CLA Cymru are experts in rural issues, with knowledge and experience relating to a breadth of issues affecting businesses, including concerns with housing, planning, investment and economic development, skills provision, connectivity and physical infrastructure.
- 1.3 Our members are significant providers of both new rural housing and manage and own existing rural housing in the private rented sector.
- 1.4 The CLA is a well-established organisation covering England and Wales comprising of some 30,000 members. In Wales, CLA Cymru's membership reaches nearly 3,000 rural businesses, where they play a full and dynamic part in Government and stakeholder engagement.

2.0 Overview

- 2.1 Housing is one of the most significant challenges currently facing Wales and the level of need in rural areas is particularly acute. It is key that landlords have confidence in the sector so that they continue to let their properties, providing crucial accommodation to meet the needs of rural communities.
- 2.2 The CLA undertook a large-scale survey in 2017 on the contribution of rural landowners to the residential property market. It quantifies the contribution that Welsh CLA members make to residential lettings. The full report *Strong Foundations Cymru: Meeting rural housing need in Wales* can be found [here](#).
- 2.3 Notably, the survey found that residential tenancies last an average of 7.6 years in rural Wales and one third of our members let at least one property below market rent, chiefly to help sustain the local community.
- 2.4 It is a key feature that many rural jobs come with accommodation that is either provided or arranged by their employer and it is therefore key for a landlord to be able to get vacant possession back of a property when required. This is a crucial part of the

rural economy to enable the recruitment and retainment of good employees to work in rural businesses.

3.0 General principles of the Renting Homes (Amendment) (Wales) Bill

- 3.1 Our members understand the importance of offering greater security to tenants and many already grant longer term tenancies.
- 3.2 We welcome the Welsh Government's recognition that service occupancies require special treatment and are able to be regained on serving a two-month notice. Having the flexibility to accommodate an employee for the better performance of their duties is key for a thriving rural economy.
- 3.3 It is important that there is sufficient lead in time ahead of the 2016 Act coming into force and clear information available so that landlords and practitioners can effectively prepare. There will be instances where an employer has housed an employee under an assured shorthold tenancy but under the new regime, this would need to be turned into a service occupancy to benefit from the flexibility should the employment end.
- 3.4 The rural economy is also dependant on many other employees who are housed by their employers but who would not fall within the service occupancy provisions. It is paramount that an employer is able to offer accommodation to effectively recruit and retain staff to run their rural business. This goes far beyond agricultural employees and may include joiners, bakers, hotel staff, fishery staff, carers, brewers and gardeners to name but a few.
- 3.5 Given the lack of properties in the private rented sector in rural Wales, it is critical that an employer has the ability to regain possession of a property required for housing an employee. Whilst still recognising the importance of security, this should be pursuant to a two-month notice period through the same mechanism that take service occupancies outside certain provisions.
- 3.6 There is a serious issue regarding access to justice that is raised by these proposals. The proposed extension of section 173 to six months' notice for standard contracts would mean landlords increasingly having to attend court in order to obtain an order for possession. Landlords have already lost confidence in the court system and choose to rely on the accelerated paper-based procedure under section 21 (even where section 8 grounds are available) to avoid the unacceptable delays and rising costs. Fewer county courts facing a vastly increased workload should be a matter of very real concern to the Welsh Government. Inevitably this would disproportionately impact landlords in rural areas who would have to travel further to attend court.
- 3.7 In principle, the CLA supports an increased notice period but that is wholly dependent on the ability to effectively regain possession of a property through the court system when required, due to a breach of tenancy or on estate management grounds.
- 3.8 The 2016 Act must not be enacted until the Welsh court system is properly resourced. If landlords are not confident that in an extenuating circumstance, such as anti-social behaviour, they are able to get their property back in a time and cost-effective manner, they will not continue to let their property in the private rented sector.

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