

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

Outcome of consultation on Renting Homes (Wales) Act 2016 –

Notice Periods for Converted Contracts and laying of associated

regulations

DATE 10 November 2022

TITLE

BY Julie James, Minister for Climate Change

The Renting Homes (Wales) Act 2016 comes into force on 1 December 2022. The Act will improve security of tenure for renters by, amongst other things, increasing the period of notice that a landlord must give when seeking repossession of their property in instances where the renter is not at fault.

On 20 September, I issued a <u>Written Statement</u> announcing a consultation on a proposal to apply a six-month no-fault notice period to existing tenancies that convert to occupation contracts under the Act, to take effect from 1 June 2023 (the six-month notice period already applies to new contracts starting from 1 December).

The consultation was promoted directly to landlords via Rent Smart Wales and in the national media. Consultation events were also held in collaboration with the National Residential Landlords Association and Tenants Participation Advisory Service Cymru.

Just over1400 completed responses were received to the consultation, of which over 90% were from private landlords and lettings agents. I am grateful to everyone who gave their time to respond. The vast majority of landlords and letting agents were against extending six-month notice periods to existing tenancies, and of those that were in agreement most favoured applying the change at a later date. The National Residential Landlords Association opposed the extension but suggested, if the extension went ahead that it should be delayed for up to two years. On the other hand, all tenants and tenant representative bodies that replied were in favour of the proposed extension, with most also arguing it should be applied from 1 December rather than 1 June 2023.

The proposed extension of the six-month no-fault notice period was always going to generate highly contrasting views. Whilst noting the views of those landlords and agents that responded, I have decided that the societal and individual benefits accruing from the extension outweigh the negative impact on individual landlords, particularly in view of

shorter notice periods of one month or less applying where there is a breach of contract. At the same time, I am also mindful that landlords will not have had an opportunity to take the proposal into account in agreeing new contracts prior to the announcement of the consultation. Notwithstanding the calls from tenant representatives to introduce the extended no-fault notice period as soon as possible, I believe it is appropriate to allow landlords more time to plan than applying the change from 1 December would allow. This is also in keeping with the general commitment we have made to giving six months' notice of significant matters relating to implementation of the 2016 Act. Therefore, I have decided to proceed with applying the extension from 1 June 2023. I believe this achieves a reasonable balance between the rights of tenants and those of landlords. I have today laid regulations before the Senedd to give effect to my decision, and those regulations will be debated before the 2016 Act itself is implemented on 1 December.

I would also like to update Members on progress on implementing the 2016 Act generally. I have recently made three sets of regulations under the negative approval procedure. These are:

- the Renting Homes (Rent Determination) (Converted Contracts) (Wales)
 (Amendment) Regulations 2022, made on 24 October in response to comments from the Legislation, Justice and Constitution Committee, for which I am grateful;
- the Renting Homes (Wales) Act 2016 (Consequential Amendments to Secondary Legislation) (Amendment) Regulations 2022, made on 24 October in response to comments from the Legislation, Justice and Constitution Committee, for which I am grateful; and
- the Renting Homes (Fitness for Human Habitation) (Amendment) (Wales)
 Regulations 2022, which update a now out-of-date reference to a British Standard for wiring regulations and also increase from 7 to 14 days the time allowed for the landlord to provide the contract-holder with a report following an electrical safety inspection (the latter in response, in particular, to concerns raised by large social housing providers).

Following the agreement by the Senedd on 8 November of the Renting Homes (Wales) Act 2016 (Consequential Amendments) Regulations 2022, which make amendments to primary legislation as a consequence of the provisions of the 2016 Act, I have now made those regulations. Furthermore, I have also now made the Renting Homes (Wales) Act 2016 (Saving and Transitional Provisions) Regulations 2022, which could not be made before the consequential amendment regulations.

Finally, I would like to acknowledge the huge effort being made, in particular by landlords in the private and social rented sectors, by lettings agents and by the many tenant and landlord representative bodies to prepare for implementation of the Act. As I have said before, implementing the 2016 Act represents a radical change to housing law that will improve the security of tenure and safety of tenants and clarify and streamline housing law for landlords. We are currently commissioning an independent evaluation of the 2016 Act and, whilst any change of this magnitude will inevitably involve some teething problems, I believe the 2016 Act will lay the foundation for a more stable and successful rented sector in the years to come.