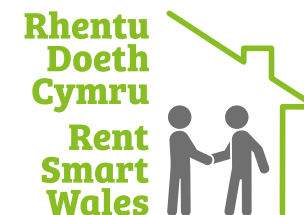


Conversion Information

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 **rentsmart.gov.wales**



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All prescribed forms produced by Welsh Government mentioned in this guidance can be found here:
gov.wales/renting-homes-forms-landlords

Converting Tenancies

Since the 1 December 2022 an Assured Shorthold Tenancy (AST) in Wales cannot be used. The Renting Homes (Wales) Act made it law from that date that all relevant tenancies and licences would be occupation contracts. This guide runs through the conversion process under the Renting Homes (Wales) Act 2016 for tenancies and licenses in place before the 1 December 2022 which needed to change to occupation contracts. It covers the deadlines landlords had to meet, the differences between converted and new occupation contracts and also covers substitute contracts and possession. It should be read in conjunction with the Renting Homes CPD Handbook on the [Resources](#) page of the Rent Smart Wales website which covers all the requirements regarding the Renting Homes legislation.

What happened to ASTs on the 1 December 2022?

All ASTs automatically changed and became Standard Occupation Contracts on the 1 December 2022. Landlords had 6 months to issue the written statement of the occupation contract. There was no model written statement (MWS) of contract available from the Welsh Government for a converted contract. However, a good starting point was to use the model written statement from Welsh Government for new occupation contracts and then compare it with the previous AST to produce a new bespoke version of a written statement specific to the rental.

It would be unfair to expect all old tenancy terms to change to ones which work under the new Act, so conversion struck a balance between the required terms necessary for the occupation contract to operate under The Act, whilst allowing some existing terms to be maintained within the converted contract.

What should I have done to convert my tenancy?

The best approach to tackle this process was to go through your tenancy against the model written statement (MWS) and think about the following:

1. Were any tenancy terms in your AST incompatible with the fundamental terms (F/F+) in the MWS? If yes, that term in the AST was deleted and you should have used the relevant fundamental term in the converted contract.
2. Were any tenancy terms in your AST incompatible with any supplementary terms in the MWS? If yes, do not use the supplementary term and instead use your term from the AST in the converted contract.
3. Were there any other terms in your AST not otherwise covered? If yes, add them in as additional terms to the converted contract (e.g. terms relating to pets or parking restrictions, etc).

By when did I have to make these changes?

The converted occupation contract started on the 1 December 2022, however landlords had 6 months (so by the 31 May 2023) to issue a written statement of the contract to the contract-holders. The same deadline date applied to provide the contract-holder with the information required in the prescribed form [RHW2](#) – the address where a contract-holder can send correspondence to the landlord.

If you missed the deadline to issue a written statement of a converted contract, then you must issue the written version straight away. The longer you leave issuing the written version of the contract, the more compensation you may be liable to pay to the contract-holder. Furthermore:

1. You cannot further vary the contract until you issue the written statement.
2. You cannot serve a 'no fault' possession notice to get your property back until you issue a written version of the converted contract. But remember, even once the written version of the contract is issued you still must wait for 6 months to issue the notice as you missed the 31 May 2023 deadline.



The Welsh Government produced guidance to help. This can be viewed at:
gov.wales/creating-converted-occupation-contract-guidance-landlords

The guidance runs through converting from a periodic AST to a standard periodic occupation contract; the same principles apply if you need to convert a fixed term AST to a standard fixed term occupation contract.

Frequently Asked Questions

Could I change the type of contract on conversion. For instance, make a periodic AST a fixed term standard occupation contract?

No, you must keep the 'type' of tenancy the same. So, a periodic one stays periodic, and a fixed term stays a fixed term.

If you had a 12-month AST which started on the 1 September 2022; on the 1 December 2022 it converted to a fixed term standard occupation contract which ran until the 31 August 2023. The fixed term dates stay the same.

What if the fixed term of a converted contract ends and the contract-holders remain in occupation?

Covered by paragraph 32 of Schedule 12 in The Act, a substitute contract arises when the initial converted contract comes to an end, but the contract-holder stays living in the property and the landlord is the same.

Practical example:

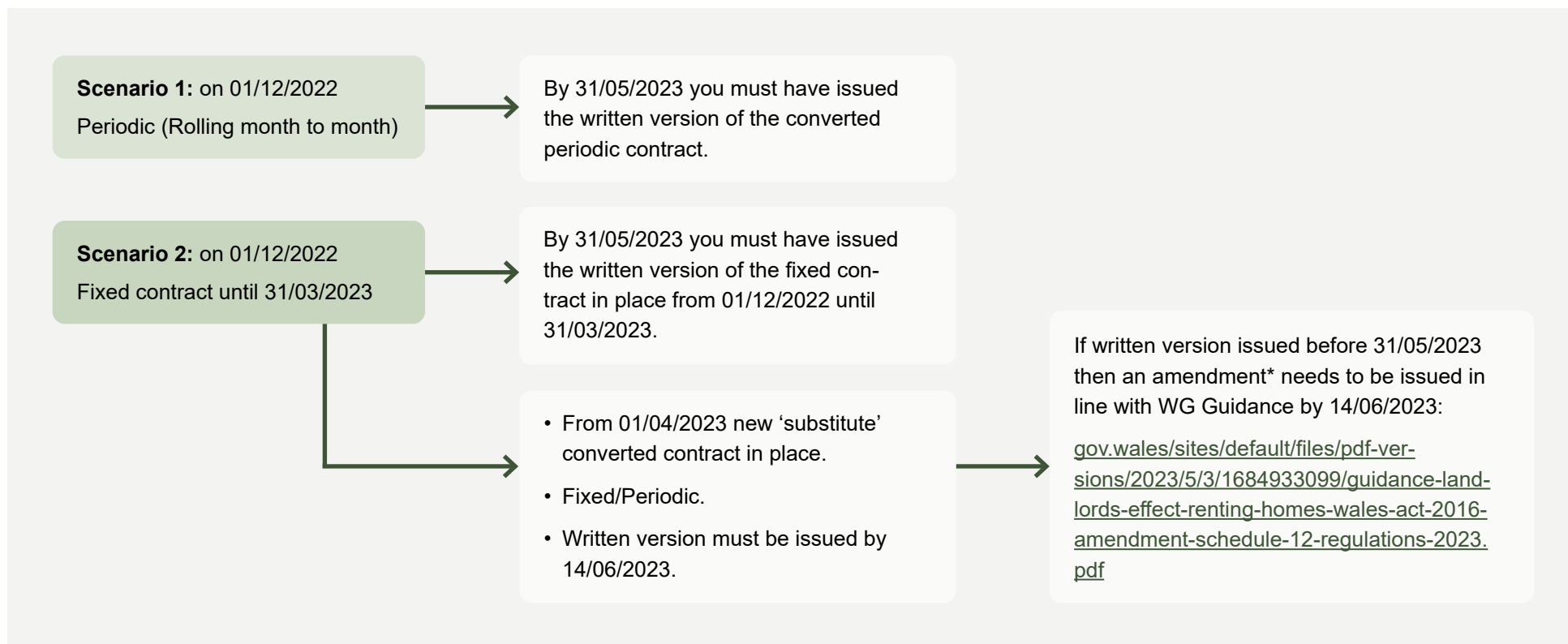
A tenant started an AST with a landlord on the 1 September 2022 (fixed term for 6 months). On 1 December 2022, the AST converted to a standard occupation contract. On 1 March 2023 the fixed term ended but the tenants stayed at the property and agreed a new fixed term with the landlord for 6 months. The new fixed term standard occupation contract started on the 1 March 2023 is a 'substitute contract'. The landlord had until 15 June 2023 to issue the written statement of this substitute contract and until 15 June 2023 to provide the landlord information to the tenant using RHW2.

If the substitute contract started after 1 June 2023, you have 14 days from the date the contract-holder is entitled to occupy the dwelling under the occupation contract to issue the written statement of the contract and form RHW2.

If the substitute contract started before 31 May 2023, then you had until 14 June 2023 to issue the written statement of the contract, however, it might still need to be varied. See flow chart below to assist.

Converted Contracts

When to issue the written version of the contract and what contract to issue when contract-holders do not leave at the end of a fixed term.



*A written statement of variation is provided when a term of the contract changes either by agreement between the landlord and contract-holder or by the requirements of legislation. A landlord can provide a written statement of variation in two ways: 1. A statement provided to the contract-holder setting out the new varied term or terms, for example in a letter setting out the new term. 2. A new full written statement containing the new varied term or terms.

Scenario 3: on 01/12/2022
Fixed contract until 31/08/23

By 31/05/2023 must have issued the written version of the fixed contract which runs until the 31/08/2023.

- On 01/09/2023 new substitute converted contract (fixed/periodic) starts.
- 14 days from occupation date (so by 14/09/2023) written statement must be issued.

Written version must include wording from guidance:
gov.wales/sites/default/files/pdf-versions/2023/5/3/1684933099/guidance-landlords-effect-renting-homes-wales-act-2016-amendment-schedule-12-regulations-2023.pdf

Scenario 4: On 01/12/2022
either a fixed or periodic
contract in place

Contract terminated on 30/04/2023 by mutual agreement; contract-holder understands what they are signing up to and mutually agrees to the contract ending.

- New contract entered into on the 01/05/2023 in line with the model contract.
- Issued within 14 days of the 'occupation date'.
- Written version of the converted contract in place between 01/12/2022 and 30/04/2023 must be issued by 30/05/2023.
- If you start a new contract instead of providing a written statement of the converted contract, then all requirements for 'new' contracts start. For instance, not being able to issue a no-fault possession notice within the first 6 months of the contract, and the requirement for interlinked smoke alarms and an Electrical Condition Report. Refer to the [Renting Homes Handbook](#) to check requirements for new contracts.

Scenario 5: On 01/12/2022 either a fixed or periodic contract in place



Landlord gives contract-holder a 'new' occupation contract to sign up to on 30/05/2023.

Contract based on model and with no previous AST terms within it.



Potential issues:

- Even if contract-holder signs new contract, they are only signing to say it has been received, not that it is correct.
- As the contract issued is not a written statement of the converted contract, nor has there been a mutually agreed contract termination of the converted contract it is an incomplete or incorrect written statement (so compensation payable by court – see next page).



Be Aware

If the deadline to issue a written version of the contract is missed – the landlord must issue it and then wait 6 months before a section 173 notice for possession is issued (with six months notice). The contract-holder could withhold rent (for up to two months), or claim compensation, for the period while no written statement was issued.

If the written version of the contract is incomplete or incorrect, a landlord may still be able to gain possession via section 173. However, the court might determine that the written version was not a converted contract when it should be or that it is so incorrect as to be the equivalent of not being issued at all. The section 173 might be thrown out on that point.

The contract-holder can go to court to apply for compensation regarding an incorrect or incomplete written statement of the contract.

Due to the unique circumstances where the contract-holder is an original contract-holder who was once on an AST, you still have until the 30 November 2023 to install compliant smoke alarms and to obtain a suitable Electrical Condition Report (ECR).

What about deposits registered prior to the 1 December 2022 for ASTs converted to occupation contracts?

These deposits remain protected, and you do not need to do anything further.

What if there is a change in the identity of the initial contract-holders on a converted contract?

This might happen for instance on a shared contract or where someone has succeeded the contract.

If there was a change in the identity of the contract-holder (under a converted or substitute contract) during the period 01/12/2022 and 31/05/2023:

The landlord must provide a written statement within 14 days of either 1 June 2023 or, if later, the day on which the landlord becomes aware of the change in contract-holder

If the change occurs after the 31/05/2023 the landlord has 14 days from the change to provide a written statement of the converted contract.

What if I need my property back on a converted contract?

The following page covers the specifics of how you can gain possession of a dwelling based on the different types of converted contracts.

No-fault Possession for Converted Contracts

Standard Periodic Contracts:

Since 01/06/2023 the notice period for 'no fault' possession is 6 months. You must use prescribed form [RHW16](#) for this process and ensure that all requirements detailed on the back of the form have been adhered to (e.g. that a written statement of the converted contract has been issued and other statutory obligations have been met).



You must use prescribed form RHW16 produced by Welsh Government to terminate a standard periodic contract: gov.wales/notice-termination-periodic-standard-contract-six-month-minimum-notice-period-other-introductory

Standard Fixed Term Contracts, with a Landlord's Break Clause:

The no-fault possession process would need to follow the requirements of prescribed form [RHW25](#). This does allow 2 months notice, however all requirements on the back of the form must have been adhered to.



You must use prescribed form RHW25 produced by Welsh Government to terminate a converted fixed contract which has a landlord's break clause: gov.wales/notice-termination-under-landlords-break-clause-fixed-term-standard-contract-two-month-minimum

Standard Fixed Term Contracts:

The no-fault possession process would need to follow the requirements of prescribed form RHW38. This does allow 2 months notice, however all requirements on the back of the form must have been adhered to. In addition:

1. The notice must be given before or on the last day of the fixed term contract and must give at least two months' notice before you state you will make a possession claim to court if they do not move out.
2. The notice cannot require possession before the last day of the fixed term.



You must use prescribed form RHW38 produced by Welsh Government to terminate a converted fixed contract: gov.wales/notice-termination-fixed-term-standard-contract-converted-contract-form-rhw38

Further guidance from Welsh Government about the possession process can be found online at:

gov.wales/sites/default/files/publications/2023-02/understanding-possession-process-guidance-private-landlords.pdf