

GUIDANCE

Assured agricultural occupancies

How the change in housing law will affect assured agricultural occupancies.

First published: 24 August 2022

Last updated: 24 August 2022

The provisions of the Renting Homes (Wales) Act 2016 ("the 2016 Act") will come into force on 1 December 2022. The 2016 Act will help clarify the rights and responsibilities of contract-holders and landlords in Wales.

On the date that the 2016 Act comes into force ("the appointed day") all assured tenancies in Wales will convert into occupation contracts.

On the appointed day, any assured agricultural occupancies ("AAOs") which exist in Wales, will be treated in the same way as assured tenancies, that is, they will convert into occupation contracts under the 2016 Act and the relevant provisions of the 2016 Act will apply, including provisions relating to assignment, succession, survivorship and inheritance rights.

To ensure the security of tenure currently provided by AAOs is retained, periodic tenancies which are AAOs will convert into standard occupation contracts that will not be subject to section 173 of the Act, meaning that the landlord cannot issue a landlord's notice (a so called 'no-fault' notice) in relation to these contracts. Fixed term tenancies which are AAOs will convert into fixed-term standard contracts to which section 173 would not apply. Where a periodic standard contract arises at the end of the fixed-term period this periodic standard contract will also not be subject to section 173 notice.

Finally, in relation to these occupation contracts, if the landlord notifies the contract-holder that there is to be a rent increase, the contract-holder will have a right to apply to the Rent Assessment Committee for a rent determination.

For their part, contract-holders will be required to occupy the dwelling as their only or principal home. If the contract-holder does not occupy the dwelling as their only or principal home, they will be in breach of contract, meaning that the landlord may be able to seek possession by virtue of section 157 of the 2016 Act.

When the provisions of the 2016 Act come into force on 1 December 2022 it will not be possible for any further AAOs to be created in Wales: all new tenancies or licences entered into after that date will be either secure occupation contracts or standard occupation contracts.

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