**7. Ending a Tenancy**

**Module Content.**

7.1 Practical tips for a pain-free end of tenancy handover

7.2 What to do if the tenancy is to continue

7.3 Agreeing a replacement fixed-term assured shorthold tenancy

7.4 Agreeing a contractual periodic assured shorthold tenancy

7.5 Statutory periodic tenancy

7.6 What to do if the tenant wants to leave

7.7 What landlords can do if they want a tenant to leave

7.8 Grounds for possession

7.9 Section 21 notice requirements

7.10 Service of documents

**7. Ending a Tenancy**

**7.1 Practical tips for a smooth end of tenancy handover.**

**The golden rule for ending a tenancy is to be prepared.**

If the tenancy is for a fixed term, make a diary note straightaway of when the tenancy is due to end, and another date around two months before that.

Where appropriate, contact the tenant to see if they would be interested in renewing their tenancy, or whether they plan to leave. If the tenant is going to leave, there are a number of practical matters that can help trigger a smooth ending of a tenancy:  
  
Arranging a joint inspection of the property to agree on any damage that needs rectifying or decoration that might need undertaking. **Take a checklist with you;**Providing information about the cleaning required to return the property in an acceptable condition (it is often worth reminding the tenant of their obligations);

The landlord and tenant should come to a mutual agreement about the refund of a deposit held by a Deposit Protection Scheme, or else, use some form of dispute resolution;

**Advising the tenant about taking final utility readings and liaising with suppliers about issuing and paying final bills;**Making arrangements for the handover of any keys.

**7. Ending a Tenancy**

**7.1 Practical tips for a smooth end of tenancy handover.**

**Tips:**Confirm anything that is **agreed with the tenant in writing;**Follow up any problems as quickly as possible. Make a charge against the deposit, if appropriate;  
  
The adjudication services operated by the tenancy deposit protection schemes **rely heavily on comparisons of check-in and check-out reports.** Therefore, the better the quality of any check-in and check-out reports, the more likely it is that the proposed deposit deduction will be awarded to the landlord. Make sure that all photographs are clearly labelled and dated;  
  
If the accounts for gas, electricity, water and telephone are in the name of the tenant, then the payment of these bills is a matter between the tenant and **the supplier, and the supplier cannot require the landlord to pay;**When the tenant moves in the landlord should **notify all the suppliers of the name of the new tenant** and the date when the tenancy started;  
  
As of 1st January 2015, the Welsh Government introduced the [**Non-Owner Occupier Regulations 2014**](http://www.legislation.gov.uk/wsi/2014/3156/contents/made)**,**which imposes an **obligation on all landlords** to inform the water company (Welsh Water or Dee Valley) of a change of tenant within**21 days**.

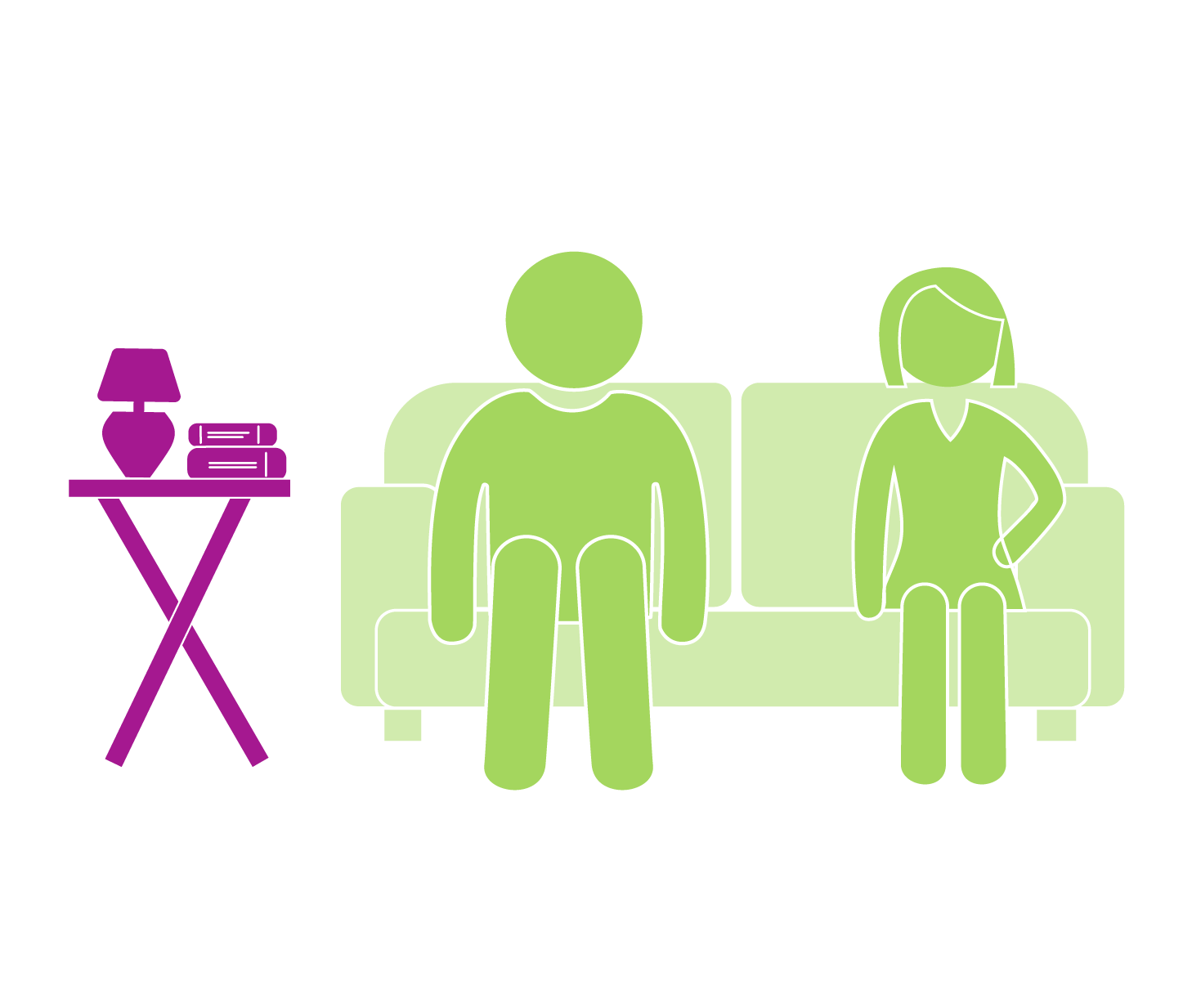
You must provide basic information about the occupiers; the tenants full names, dates of birth of all adult tenants, the property address and the date the tenancy began. The**tenant must be informed you are doing this.**

The most secure method, and the best way to evidence this information has been given to the water company is via the secure Landlord TAP portal. Register at [**www.landlordtap.co.uk**](http://www.landlordtap.co.uk/)

Failure to comply with the regulations will make the landlord jointly and severally liable with the occupier for any water and sewerage charges incurred during the period they failed to comply with the regulations. This means you the landlord will be sent the bill by the water company instead of the tenant and have to pay it.

It is a good idea to let the water company know when a tenant leaves, even if nobody is moving in straight away. There are situations where the landlord is not liable to pay for a void period between tenancies.

If the water services are provided by Welsh Water consider the situation of your tenants and if they are on the right tariff. Refer them to [**www.dwrcymru.com**](http://www.dwrcymru.com/) for further information.

**Landlords need to pay the bills for any services used during a void period**. Asthere are so many different suppliers, it is helpful to notify the new tenant of the name of the existing suppliers if known.

**7.2 What to do if the tenancy is to continue.**

A **periodic**tenancy will continue until either the landlord or the tenant brings it to an end – usually by serving notice to quit.  
  
A **fixed-term assured tenancy**(i.e. non-shorthold) **will continue after its expiry date, and the landlord can only bring it to an end on certain grounds.** Most tenancies in the private rented sector start life as fixed-term assured shorthold tenancies. When the fixed term of an assured shorthold tenancy ends, the landlord has the following options if they want the tenancy to continue:  
  
To agree a replacement fixed-term shorthold tenancy with the tenant;  
  
To agree to a replacement assured shorthold tenancy on a periodic basis called a contractual periodic tenancy;  
  
To do nothing and allow the assured shorthold tenancy to run on with the same terms, under a statutory periodic tenancy.  
  
**At the end of any fixed term you should check whether the tenancy deposit protection scheme being used requires re-registration of the deposit if the tenancy is renewed, because the scheme requirements vary**

**7.3 Agreeing a replacement fixed-term AST.**

This is not something that the landlord has to do but a replacement fixed term tenancy is **advantageous for landlords who want to know that the tenant’s obligations are going to continue for at least the duration of the replacement tenancy.**

**7.4 Agreeing a contractual periodic AST.**

This can be a good option for landlords who need to be **flexible** about when they can have their property back. The landlord and tenant can agree that the tenancy agreement will terminate by either of them giving notice to quit. **Take advice about the tenancy agreement and the legal requirements of a notice to quit if there are any doubts about this.**

**7.5 Statutory periodic tenancy.**

If you do nothing and your tenant stays on in the property, the tenancy will automatically run on from **one rent period to the next on the same terms as the preceding fixed-term assured shorthold tenancy**. This is called a **statutory periodic tenancy**. The tenancy will continue to run on this basis until a new fixed-term or periodic tenancy is agreed or the tenant leaves or the court awards the landlord possession.  
  
The terms of the existing tenancy agreement remain in force; a notice to gain possession of the premises can be served at any time. **The period of notice is linked to the period for which rent was last payable under the tenancy.** Take advice if there are doubts about which notice to serve.

**7.6 What to do if the tenant wants to leave.**

**Tenant Termination of a Periodic Tenancy.**A periodic tenant must provide **notice in writing of their intention to leave.** The minimum notice period is **four weeks** (specified in **section 5 of the Protection from Eviction Act 1977**). In most cases, the contract will specify at least a month for a monthly rental and that notice should always expire at the end of a rental payment period. **The contract may also specify the terms on which notice may be given.**

**7.6 What to do if the tenant wants to leave.**

**Tenant Termination of a Fixed-term Tenancy (when it expires).  
  
There is no statutory requirement for a tenant to serve notice to end a fixed-term tenancy at the end of that fixed term.  
  
However, a clause in the tenancy agreement asking the tenant to inform the landlord whether or not they will be leaving**, so that arrangements can be made for the property to be checked and the deposit returned to them, should minimise problems.

### 7.6 What to do if the tenant wants to leave.

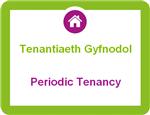
**Tenant Termination of a Fixed-term Tenancy before it expires**

If the tenant has a fixed-term tenancy but wants to terminate it before the term expires, **they can only do so legally:**

* With the agreement of the landlord;
* If early termination is allowed for by a break clause in the tenancy agreement and the tenant has followed any requirements for giving notice specified in the tenancy agreement;
* In a few rare cases, if the landlord is in very serious breach of his obligations (but the breach must be ‘fundamental’ to the tenancy).

If the agreement does not allow the tenant to terminate early and the landlord has not agreed that he or she can break the agreement, **the tenant will be contractually obliged to pay the rent for the entire length of the fixed term.**

### 7.7 What landlords can do if they want a tenant to leave.



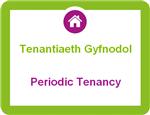
**At the end of a fixed-term Assured Shorthold Tenancy**

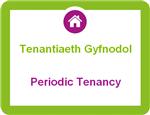
If a landlord does not want a fixed term AST to continue as a statutory periodic tenancy they will **need to serve a section 21 notice to bring the tenancy to an end.**  
  
The notice is known as a section 21 notice, as the landlord’s right to recover possession and the notice procedure is set out in **section 21 of the Housing Act 1988**. The notice must be served on the tenant **at least two months** before the landlord wants the tenancy to end.  
  
If you want to use a section 21 notice to end an AST, if served during the fixed term, it does not need to be on a prescribed form and may be issued by letter, providing that it complies with the following rules:

* the duration of the notice must be at least two months;
* the notice must not expire earlier than the fixed term of the agreement (it may expire on any given date after the end of the term).

**The section 21 notice can be served at the beginning of the tenancy provided that the notice expires on or after the tenancy has come to an end.**

**The requirements for an order for possession under section 21 are:**

* that the tenancy is an assured shorthold tenancy;
* that any fixed term of the tenancy has expired;
* that a notice, properly drafted in accordance with the provisions of section 21, has been served on the tenant and has expired;
* that any deposit paid was duly protected under the appropriate regulations for tenancies created on or after 6 April 2007;
* that any licence required under the Housing Act 2004 (for example a mandatory House of Multiple Occupation licence) has been applied for.
* 
* **At the End of a Fixed-term Assured Tenancy**
* **The section 21 procedure does not apply**, and the landlord can only bring the tenancy to an end on certain grounds. **Most landlords will need to take legal advice before proceeding.**



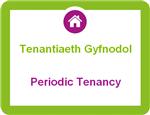
**To end a Periodic Tenancy**

If the tenancy is a contractual periodic assured shorthold tenancy, you should follow any notice stipulations set out in the tenancy agreement. It is advisable for landlords to take legal advice before proceeding.

In most cases a periodic tenancy will be a "statutory periodic tenancy", i.e. an assured shorthold tenancy that has run on past it's fixed period whereby notices must be given in writing and must:

* state that possession is required under section 21 of the Housing Act 1988;
* have a notice period of at least 2 months; and
* expire on the last day of the period of the tenancy.

An example: If the rent period is from the 11th of the month to the 10th of the next month, the end of tenancy date in the notice must be the 10th of the month.  If the rent is paid weekly, the correct notice periods end in the same way. For example, if the rent is paid every Monday for the period through to the following Sunday, the notice must  expire on Sunday.



**To end a Fixed-term Tenancy before it is due to expire  
  
If the landlord wishes to obtain possession of the property during the fixed term of an assured or assured shorthold tenancy, they can only seek possession:**

* if one of the grounds for possession in **Schedule 2 of the Housing Act 1988** (as amended) applies;
* if the tenancy agreement has a clause in it providing for this (this is sometimes known as a re-entry or forfeiture clause, even though forfeiture cannot be used for assured/assured shorthold tenancies);
* **by activating a properly drafted break clause and then using the section 21 procedure** (assured shorthold tenancies only).

The grounds for possession are divided into mandatory grounds (upon which the court must order possession if the landlord proves the allegation) and discretionary grounds (upon which the court may order possession if the allegations are proved and if the court considers it reasonable to make the order).

The grounds must be specified in the notice, which must be a **section 8 notice**. The notice is in a prescribed form. **Section 8 of the Housing Act 1988** also specifies what minimum notice period must be given – and this depends on the ground(s) being used. For more information on the grounds please see[**http://www.legislation.gov.uk/ukpga/1988/50/contents**](http://www.legislation.gov.uk/ukpga/1988/50/contents).

### 7.8 Grounds for possession.

**Section 8 of The Housing Act 1988** stipulates the grounds for possession which landlords can use in order to regain possession of their rental property.  The grounds for possession can either be **mandatory or discretionary**.  While the court will always give repossession of the rental property to the landlord on mandatory grounds, this is not the case with discretionary grounds, where the landlord will have to prove that it is reasonable to make the tenant homeless.

Ground 7 is used In the event of a sole tenant’s death during a periodic assured tenancy. If a person is living in the property who does not have the right to succeed the tenancy the landlord can use this Ground. This is providing the proceedings for recovery of possession are commenced within a year of the death of the original tenant. This may not apply if the remaining occupier is the tenant’s spouse or civil partner.

Ground 8 is often used in serious cases of rent arrears (8 weeks or more). However, there are other grounds which landlords can use in order to repossess their properties.

Ground 12 is used for the breach of tenant obligations other than rent arrears.

Ground 14 is specifically used for gaining possession of a rental property when the tenant has been found guilty of anti-social behaviour.

A good landlord should always try to solve any issues as soon as they arise. Quick intervention can reduce lengthy court proceedings and reduce costs.

You can access the full legislation here:[**http://www.legislation.gov.uk/ukpga/1988/50/schedule/2**](http://www.legislation.gov.uk/ukpga/1988/50/schedule/2)



**Mandatory Grounds**

1 – Owner occupier

2 – Mortgage lender

3 – Holiday let

4 – Educating letting

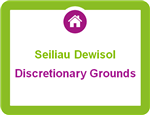
5 – Minister’s house

6 – Social rebuild

7 – Death of tenant

7A – ASB

8 – Serious rent arrears



**Discretionary grounds**

9 – Alternative accommodation

10 – Some arrears

11 – Late payment

12 – Breach of tenancy

13 – Property condition

14 – Nuisance

15 – Furniture damage

16 – Former employee

17 – False statement

## 7. Ending a Tenancy

### 7.9 Section 21 notice requirements.

Under **section 21** **of the Housing Act 1988**, a notice is given by the landlord to the tenant to regain possession of a property at the end of an Assured Shorthold Tenancy (AST).

When you are serving a section 21 notice, you need to make sure that you have fulfilled the following criteria.

**If the tenancy is on a fixed term (A):**

The landlord must notify the tenant in writing. The notice needs to be 2 months long and not expire before the end of the fixed term.

**If the tenancy is on a periodic term (B):**

The landlord must notify the tenant in writing and the notice needs to be at least 2 months long. The notice must expire on the last day of the rental period.

For more information on section 21 please use this link.[**https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices**](https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices)

The next pages will have some examples for you.

## 7. Ending a Tenancy

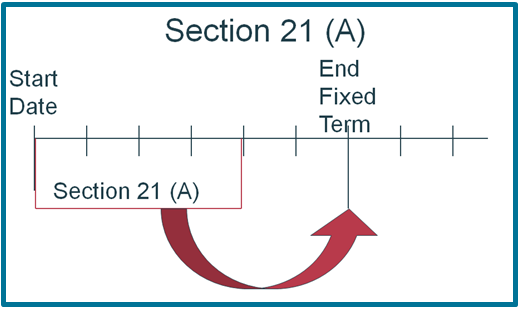
### 7.9 Section 21 notice requirements.

**Fixed term tenancy examples.**

If the section 21 notice is served to the tenant within the first 4 months

of a fixed term tenancy of 6 months, the expiry date of the notice cannot

be earlier than the end of the fixed term.

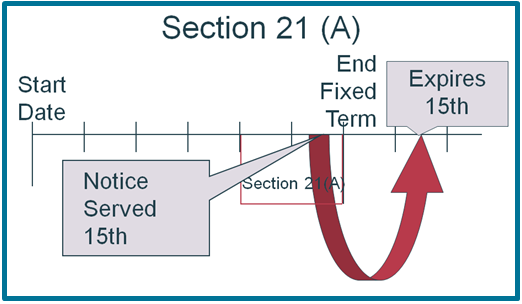
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If the section 21 notice is served after the first four months but before the

end of the 6th month fixed term tenancy, the notice must be two months

long. As an example, notice served on the 15th of August will only

expire on the 15th of October.

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### 7.9 Section 21 notice requirements.

**Periodic tenancy example.**

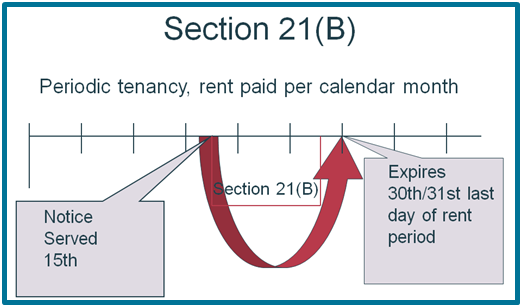
Once the fixed term has expired and the tenancy becomes a periodic

tenancy, the serving of section 21 notice still needs to be two months

long. However, if the two months end before the end of the rental

period, the section 21 notice expiration date needs to be aligned with

the last day of the rent payment period.

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**7. Ending a Tenancy**



Which of the following statements is correct on a fixed term assured shorthold tenancy? Please read the statements carefully.

* The notice period for a section 21 notice only needs to be one month long.
* The section 21 notice can be served during a pre tenancy viewing.
* The first day of the six month fixed term is the 20th May. The landlord serves a section 21 notice on 12th October. The earliest correct date to quote for expiry is 12th December.

**7.10 Service of documents.**

The method through which you are going to serve notices on your tenants should be clearly noted on the tenancy agreement.

You should stipulate that all notices will be served to the property and not to the single residents of the rental property. This will cover the landlord in situations where the tenant goes absent without notice.

**Agents should issue three copies when serving a notice:**

* One for the tenant to keep;
* One for the tenant to sign and return;
* One for the landlord to keep.

## Pre-Assessment Information.

### Pre-assessment information

You have reached the validation test which will check your knowledge in relation to the content covered on the modules you have completed.

**Before you take the test read the following information:**

        Ensure you do the test in **one go**. If you come out of the test half way through it will not save your progress and the questions may be different, as these are taken from a pool of questions;

         **Answer questions based on what you have learnt**on the course;

        There is only **one correct answer**for each question;

        When submitting the validation paper, **do not**refresh page or go back. Wait until the result of the test is confirmed. This should only take a few seconds, if it takes longer wait until the result is displayed;

        There are **20 questions**on this test, you need to have **15 correct answers**to pass the test and complete the course.

If after completing the test you have passed, you can download you training certificate from your account, under my bookings/training.

If you are unlucky and fail the validation test, you can either contact us on **03000 133344**or email [**rentsmartwales.training@cardiff.gov.uk**](mailto:rentsmartwales.training@cardiff.gov.uk) with your name, date of birth and email address in order to arrange a free resit.

By clicking next you will start the assessment.

Good luck!