

# BEING A LANDLORD IN WALES



Landlord and tenant law in England and Wales used to be seen as one shared system. However, in recent years, Wales has developed its own approach to housing law. While the two systems still have some similarities, the law in Wales is now different in important and practical ways from the law in England, with an emphasis on protection for tenants.

To manage a property successfully and lawfully in Wales, you must adhere to three core pillars:

1. **Registration and Licensing:** You must be registered with Rent Smart Wales, and any person carrying out letting or management tasks must be suitably licensed.
2. **Property Standards:** You have a statutory duty to ensure the property is Fit for Human Habitation (FFHH), including specific requirements for working smoke alarms, carbon monoxide detectors, and electrical safety testing.
3. **Correct Documentation:** Your relationship with your contract-holder is governed by the Occupation Contract. Failure to provide this, or providing an incorrect version, can prevent you from using “no-fault” possession notices and may result in financial penalties.

This factsheet outlines your essential obligations to help you maintain a compliant, safe, and professional rental property.

## Fitness for Human Habitation

Landlords are legally obligated to ensure that the dwelling is “fit for human habitation” at the start of the contract and throughout its duration. This involves ensuring the property is free from hazards that would make it unsuitable for occupation, such as damp, mould, or inadequate ventilation, as outlined in the Homes ([Fitness for Human Habitation](#)) standards. Regular inspections and proactive maintenance are essential to mitigate the risk of legal challenges or local authority intervention.

## Occupation Contracts

The primary legal document is the “occupation contract” (previously the tenancy agreement). These are divided into two main categories: “secure contracts,” typically used by community landlords, and “standard contracts,” which are the norm for private sector landlords.

A critical requirement for all landlords is to provide a written statement of the occupation contract to the contract-holder (previously the tenant). This document must set out the fundamental, supplementary, and additional terms of the agreement. Failure to provide this statement within the statutory timeframe—generally 14 days from the contract start date for new contracts—can result in financial penalties and complications regarding the landlord’s ability to seek possession. Please see a template occupation contract [here](#).

## Deposits

In Wales, managing deposits is a strictly regulated process under the Renting Homes (Wales) Act 2016. Failing to follow these rules can lead to heavy fines and, crucially, will block your ability to evict a contract-holder using a “no-fault” notice.

### The 30-Day Rule

From the moment you receive a deposit (even a partial payment), you have exactly 30 days to:

- **Protect it:** Place the money in one of the three government-approved schemes: Deposit Protection Service (DPS), MyDeposits, or Tenancy Deposit Scheme (TDS).
- **Provide “Prescribed Information”:** You must give the contract-holder a document from the scheme provider that confirms where the money is held, along with your contact details and how they can apply to get the money back.

### Deposit Caps & Prohibited Payments

There is no specific “cap” on the total security deposit amount, however:

- **Market Standards:** Most landlords in Wales stick to 5 weeks’ rent to remain competitive and fair.
- **Holding Deposits:** These are strictly capped at one week’s rent. You must usually return this within 15 days or agree to let it go towards the first month’s rent.

### Inventory and Condition Reports

A comprehensive inventory is essential for any successful claim against it later.

- **Evidence:** Take high-quality, date-stamped photos of every room, including inside ovens and carpets.
- **Agreement:** Ask the contract-holder to sign the inventory within the first few days of the contract. This prevents disputes over “pre-existing damage.”

### Deductions at the End of Contract

You can only deduct money from the deposit for specific breaches of the occupation contract, such as:

- Unpaid rent or outstanding utility bills.
- Damages beyond “fair wear and tear” (e.g., a hole in a door vs. slight scuffing on a skirting board).
- Cleaning costs if the property is not returned in the same state it was provided.

### Penalties for Non-Compliance

If you fail to protect the deposit or provide the prescribed information within 30 days:

- **Financial Penalty:** A court can order you to pay the contract-holder between one and three times the deposit amount.
- **Loss of Possession Rights:** You cannot serve a Section 173 (no-fault) possession notice until the deposit has been returned in full or a court claim has been settled.

## Rent Increases

- **Frequency:** You may only increase the rent once every 12 months.
- **Notice Period:** You must provide at least two months’ written notice before the increase takes effect.
- **Documentation:** For periodic contracts, you must use the official Form RHW12 (Notice of Variation of Rent). Failing to use this prescribed form will make the increase legally invalid.

### Rules by Contract Type

The timing of an increase depends on whether the contract is fixed-term or periodic:

- **Fixed-Term Standard Contracts:** Generally, you cannot increase rent during a fixed term unless the contract-holder specifically agrees to it. If they agree, you must provide a “written statement of variation” within 14 days.
- **Periodic Standard Contracts:** Rent can be

increased annually by serving the [Form RHW12 notice](#).

- **Converted Contracts:** If the tenancy existed before 1 December 2022, it is a “converted contract”. The same two-month notice and annual limit apply, but contract-holders may have specific rights to appeal to a [Rent Assessment Committee](#) if they believe the increase is above market level.

### Setting the New Rent Level

While there is currently no legal limit on how much rent can be increased for standard private contracts, it should ideally reflect market rent (the average price for similar local properties).

- **Market Alignment:** Use tools like RightMove or Zoopla to justify your proposed rate to the tenant.
- **Fair Rents:** For “regulated tenancies” (usually starting before 1989), the maximum rent is set by Rent Officers Wales and can typically only be reviewed every two years.

## Possession and Termination

The process for regaining possession of a property has been codified to ensure clarity and fairness. Landlords must follow specific notice periods and procedures, particularly when issuing a notice under section 173 (the “no-fault” notice). It is imperative that landlords consult the official Welsh Government guidance ([Understanding the possession process: guidance for private landlords | GOV.WALES](#)) regarding the specific forms and notice periods, as these have been subject to legislative amendments, such as those introduced in 2023.

Documentation is paramount; maintaining a clear audit trail of the written statement, gas safety certificates, electrical installation condition reports (EICR), and energy performance certificates (EPC) is a statutory necessity.

### Serving the eviction notice

Before serving any notice, you must ensure you have met these legal obligations. Failure to do so will

likely invalidate your eviction notice:

- **Written Statement:** You must have provided the contract-holder with a written statement of the occupation contract within 14 days of the start date.
- **Rent Smart Wales:** You must be registered and either licensed yourself or use a licensed agent.
- **Deposit Protection:** The deposit must be protected in a government-approved scheme, and “prescribed information” must be given to the contract-holder within 30 days.
- **Safety Compliance:** You must provide a valid Gas Safety Certificate, a current EICR (Electrical Installation Condition Report), and a valid EPC.
- **Fitness for Human Habitation (FFHH):** The property must have working smoke and (where required) carbon monoxide alarms.

### The Legal Process

- **Serve Notice:** Use the correct prescribed form from the Welsh Government website.
- **Wait for Expiry:** You cannot apply to court until the notice period has ended. For “no-fault” notices, you must apply within 2 months of the expiry of the notice, or the notice becomes void (if this period expires then another s173 notice cannot be served within the following 6 months). The timing of this can therefore be critical.
- **Apply to Court:** If the tenant does not leave, you must apply for a Possession Order. Use the Accelerated Procedure for “no-fault” claims if you are not claiming rent arrears.
- **Bailiff Enforcement:** If the tenant in the property remains after the court-ordered possession date, you must apply for a Warrant of Possession for a court bailiff to carry out the physical eviction.

As a landlord, your success depends on your attention to detail. Whether it is ensuring your Rent Smart Wales licence is up to date, providing a valid Written Statement within the 14-day window, or maintaining the property to Fitness for Human Habitation (FFHH) standards, being proactive is

your best defence against legal disputes or financial penalties.

While the new regulations may seem daunting, they provide a clearer structure for resolving issues and protecting your investment. By following the guidance in this factsheet—and keeping a meticulous “paper trail” of all notices and safety certificates—you can ensure a stable, professional, and legally sound rental business.

### Choosing the Correct Notice

The type of notice and the required notice period depend on your reason for seeking possession.

Reason for Eviction	Notice Period	Prescribed Form	Details
<b>No-Fault</b> (Section 173)	<b>6 Months</b>	<a href="#">RHW16</a>	Cannot be served within the first 6 months of the contract.
<b>Serious Rent Arrears</b>	<b>14 Days</b>	RHW20	Applies if arrears are at least 2 months.
<b>Breach of Contract</b>	<b>1 Month</b>	RHW23	For issues other than rent, such as damage or subletting.
<b>Anti-Social Behaviour</b>	<b>Same Day</b>	RHW23	Claim can be started on the same day the notice is served.

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