

RH 29a  
Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol  
Communities, Equality and Local Government Committee  
Bil Rhentu Cartrefi (Cymru)  
Gwybodaeth ategol gan: Cymdeithas Landlordiaid Preswyl  
Supplementary information from: Residential Landlords Association



**RESIDENTIAL LANDLORDS ASSOCIATION**  
**MODEL AGREEMENT ALLOWING TENANT TO EXTEND THE TENANCY**

**The Long Term Tenancy Agreement**

The following document has been consulted on alongside The Dispute Service and provides the contract holder the 'Right to Renew' the tenancy for a total length of 5 years.



## 1.0 SUMMARY – HOW IT WORKS

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1.2 The RLA's solution would be on an entirely contractual basis and could be introduced under the widespread changes under the Renting Homes (Wales) Bill.

1.3 Under the RLA model, if a tenant is satisfactory then he or she would have a contractual right, if they wished, to extend a fixed term tenancy and renew for six or twelve months at a time for up to five years.

1.4 Renewals would be the same length as for the current tenancy, although a shorter period could be agreed between both parties. For example, if a landlord grants an initial one year tenancy, a separate agreement would contain an option for the tenant to extend that tenancy for another year at a time, provided the tenant's conduct had been satisfactory and the landlord did not have a good reason to want the property back.

1.5 Crucially the contract would include the option of **independent arbitration** in the event of a dispute between the tenant and landlord where agreement could not be found.

1.6 The tenant would not have to take up this option to renew but could rely on a statutory periodic extension of the contract if they did not want to tie themselves down to a fixed term. Equally, if the tenant did not want to take up a fixed term renewal, the landlord would have the option, using Section 21 powers, to require the tenant to leave with two months' notice.

1.7 The RLA has prepared a model agreement, which it will seek endorsement for by the Plain English Campaign, to ensure that tenants and landlords understand clearly what would be expected of them. The agreement will strike a fair balance between the tenant and landlord, with compliant tenants knowing that they can automatically renew the tenancy up to a maximum period so long as the landlord does not have a good reason to require the tenant to leave. In any event the tenant will have the protection of dispute resolution.

## 2.0 RENT REVIEW

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2.1 If the Landlord so chooses, the rent payable under the Tenancy can be reviewed as from the commencement date (of the renewal or new contract).

2.2 Until this period the tenant continues paying the current (previous contracts rent).

2.3 If no agreement is found between the tenant and landlord before the commencement date (the date at which the renewal takes effect) then the case is referred to the disputes procedure.

2.4 If negotiations continue between landlord and tenant, or rental disputes, the tenant continues paying the old rent past the commencement date.

2.5 When the new rent is agreed the tenant may be liable for any shortfall between the commencement date (start of the renewal) and the date of the new rental agreement.

### **3.0 6 Month Moratorium**

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3.1 This type of agreement would offer the vast majority of tenants greater security within the PRS.

3.2 It would effectively allow for longer tenancies and place the decision to renew mainly in the hands of the tenant.

3.3 This agreement, while giving the tenant the 'right to renew', also retains the flexibility that the PRS offers tenants.

### **4.0 Consultation**

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4.1 Although the RLA has spent considerable time carrying various consultations on this proposal, we would be willing to go through further consultations with the Welsh Government and representatives, to see this proposal implemented within the Renting Homes (Wales) Bill. We believe that this agreement has a lot to offer both tenants and landlords in the PRS, and that the ideas within it should be seriously considered.

4.2 This agreement has been consulted on alongside The Dispute Service, who in principle, has agreed to act as the independent adjudicator.

For further information please contact Daniel Bellis on 02920 027593 or email  
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**RESIDENTIAL LANDLORDS ASSOCIATION**  
**MODEL AGREEMENT ALLOWING TENANT TO EXTEND THE TENANCY**

**THIS AGREEMENT** is made on  
**BETWEEN**

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- (1) ("the Landlord") and  
 (2) ("the Tenant") and  
 (3) ("the Guarantor") (if any)

**1. PARTICULARS**

Property:	[insert address]
Original Tenancy Agreement:	The Tenancy Agreement dated [date] relating to the Property.
Extension Period: * delete as appropriate	6/12 months* at a time. This is referred to as an Extension.
Maximum number of extensions allowed:	[insert number] Extensions but the total period of all Extensions plus the fixed term of the Original Tenancy shall not exceed the maximum period of 5 years from the start date of the Original Tenancy in any event.
Option Period Dates: ("Periods" during which the option can be exercised each time).	[insert dates]

**2. DEFINITIONS**

2.1 In this Agreement, unless the context requires otherwise, the following expressions have the meanings respectively assigned to them:-

**Commencement Date:** The day immediately following the expiry of the Current Term (ignoring any likelihood of or provision for early termination).

**Current Term:** The Term of the Tenancy as current at the time when the Option can be exercised.

**Extension:** The extension of the Term of the Tenancy of the Property to be granted each time the Tenant exercises the Option.

**Guarantor:** This includes any Substitute Guarantor.

Option:	The right to extend the Tenancy from time to time as granted by the Landlord to the Tenant by this Agreement (see Clause 3).
Option Notice:	Written notice exercising the Option in accordance with the terms of clause 3.
Option Period:	Unless dates are inserted above the period of six weeks which starts on the date which is 16 weeks before the expiry date of the Current Term and ends on the date which is 10 weeks prior to the expiry of the Current Term (such dates to be calculated as provided in clause 18). This is the period during which the Option can be exercised. It cannot be validly exercised outside this period. If specified above then instead the dates for the Option Period are as stated there.
Substitute Guarantor:	This has the meaning set out in clause 7.
Tenancy:	The tenancy granted by the Original Tenancy Agreement and all Extensions of that tenancy effected under this Agreement prior to the lapse of this Agreement.
Term:	The fixed term of the Original Tenancy plus any Extension resulting from the exercise of the Option.

2.2 References to “the Landlord” include any person who is the immediate landlord under the Tenancy.

2.3 References to “the Tenant” include any tenant to whom the benefit of this Agreement is assigned from time to time by virtue of a permitted assignment under Clause 20.

### **3. OPTION TO EXTEND**

3.1 The Landlord grants to the Tenant during each Option Period the Option (which is an option to extend the Term of the Tenancy of the Property).

3.2 The Tenant may exercise the Option at any time during each Option Period by serving an Option Notice on the Landlord. Any Option Notice served outside an Option Period is of no effect unless the Landlord agrees otherwise.

3.3 The Option Notice must :

3.3.1 Be given to the Landlord in accordance with clause 17

3.3.2 Exercise the Option in respect of the whole of the Property (and not in respect of part only).

- 3.4 Where there is a Guarantor in respect of the Tenancy then unless the Tenant is willing to propose a Substitute Guarantor the Option Notice must be counter signed by the Guarantor or accompanied by a written consent confirming his or her agreement to guarantee the Tenant's agreements and obligations under the Tenancy as extended as from the Commencement Date (but this is subject to Clause 7).

#### **4. EFFECT OF THE EXERCISE OF THE OPTION**

- 4.1 If the Option is exercised in accordance with the terms of this Agreement the Term of the Tenancy will be extended for one Extension Period commencing on the Commencement Date unless the Landlord refuses to extend the Tenancy (see Clause 9) but subject to the Maximum Number of Extensions allowed not being exceeded. The extension shall operate without the need to enter into any further agreement or documentation.
- 4.2 Any dispute about the validity of the exercise of the option shall be determined in accordance with Clause 19.

#### **5. TERMS OF THE TENANCY AS EXTENDED**

- 5.1 If extended under Clause 4 the Tenancy shall continue for one Extension Period and be on the same terms and contain the same agreements and obligations as are set out in the Original Tenancy Agreement (except for the length of the Tenancy and the amount of rent stated to be payable if different).
- 5.2 The rent payable during the Extension shall be the same as the rent payable by the Tenant at the end of the Current Term or (if greater) an amount as revised under the provisions for rent review contained in clause 13 of this Agreement but only if the Landlord requires such a review.
- 5.3 This Agreement is not to be regarded as a term of the Tenancy itself. It is a separate agreement.
- 5.4 This clause is subject to any change to the Tenancy which is agreed between the Landlord and the Tenant.

#### **6. GUARANTOR'S OBLIGATIONS**

- 6.1 By signing an Option Notice or otherwise consenting in writing to the exercise of the Option the Guarantor (if any) confirms his or her agreement to guarantee the Tenant's agreements and obligations under the Tenancy as extended as provided in clause 5.
- 6.2 The Guarantor agrees to guarantee the Tenant's agreements and obligations under the Tenancy for the duration of the Tenancy as extended (including any statutory periodic tenancy which may subsequently arise) on the same terms as the Guarantee signed by the Guarantor with such modifications as are necessary to make the same applicable to the Tenancy as extended.

## **7. SUBSTITUTE GUARANTOR**

### **7.1 If a Guarantor –**

- (a) Dies
- (b) Has been made bankrupt
- (c) Is subject to any voluntary arrangement or any interim order under the Insolvency Act 1986
- (d) Is incapable of managing any of his or her affairs by reason of mental incapacity
- (e) Is unwilling to continue to act as Guarantor from the Commencement Date or has refused or omitted to consent to the exercise of the Option, or
- (f) The Landlord acting reasonably objects to the Guarantor continuing as Guarantor for any reason

then the Tenant may propose an alternative Guarantor or Guarantors (the Substitute Guarantor) and the Landlord may refuse to accept an Option Notice unless an acceptable Substitute Guarantor is provided by the Tenant to guarantee the Tenancy as from the Commencement Date.

- 7.2 The Landlord must not act unreasonably or delay unreasonably in deciding whether or not any Substitute Guarantor put forward by the Tenant is acceptable to the Landlord.
- 7.3 If the Landlord refuses to accept an Option Notice for a reason set out in Clause 7.1 the Landlord must do so in writing with reasons either before the service of the Option Notice or, if an Option Notice is served then not less than 4 weeks before the expiry date of the Current Term (such date to be calculated in accordance with clause 18) (time being of the essence).
- 7.4 The Tenant may put forward more than one Substitute Guarantor but no Substitute Guarantor can be put forward later than 2 weeks before the expiry date of the Current Term (such date to be calculated in accordance with clause 18).
- 7.5 Where a Substitute Guarantor is acceptable to the Landlord then the Substitute Guarantor must sign an agreement in writing with the Landlord to guarantee the Tenant's agreements and obligations under the New Tenancy in the same terms as the guarantee given by the former Guarantor with effect from the Commencement Date (to include any statutory periodic tenancy which may come into existence on the expiration of the Term), subject to such alterations as may be reasonably necessary to deal with any change in circumstances.
- 7.6 Where any of the circumstances referred to in clause 7.1 apply then any person who is the former Guarantor in respect of the Tenancy shall not be a Guarantor in respect of the Tenancy with effect from the Commencement Date but without prejudice to any prior liability.
- 7.7 Where any Substitute Guarantor is proposed then the Tenant shall ensure that the Substitute Guarantor provides such information and produces

such documentation as the Landlord acting reasonably may request to enable the Landlord to satisfy himself or herself that the Substitute Guarantor is suitable and appropriate to act as guarantor.

- 7.8 Any dispute about the giving of a Guarantee by the Guarantor or any Substitute Guarantor including the accepting or refusing of a Substitute Guarantor or a related refusal to renew the tenancy shall be determined as provided in accordance with Clause 19.

## **8. END OF THE OPTION**

- 8.1 Any right to extend the Tenancy granted by this Agreement shall end and accordingly the service of an Option Notice by the Tenant shall be of no effect if –

- (a) At the date of the service of the Option Notice or the date when the Existing Tenancy ends there are any arrears of rent or any other money properly payable by the Tenant to the Landlord under the Existing Tenancy exceeding £50.
- (b) The Landlord has served upon the Tenant a notice under Section 8 of the Housing Act 1988, being notice of intention to take Court proceedings for possession in respect of the Property.
- (c) The Tenant has broken or there is any subsisting breach of the Tenant's agreements and obligations under the Existing Tenancy not being a breach of a minor, immaterial or trivial nature.
- (d) If any proceedings for possession have been commenced in respect of the Property by the Landlord against the Tenant.
- (e) If any order for possession (whether suspended or not) has been made by the Landlord against the Tenant in respect of the Property.
- (f) There is no Guarantor or acceptable Substitute Guarantor for the Tenancy where there was a Guarantor for the Tenancy previously.

## **9 RIGHT OF LANDLORDS TO REFUSE TO EXTEND THE TENANCY**

- 9.1 Either before or after the giving of the Option Notice the Landlord shall be entitled to refuse to extend the Tenancy following the expiry of the same for one or more of the following reasons:-

- (a) The Landlord bona fide intends to sell the Property with vacant possession.
- (b) The Landlord intends to demolish or reconstruct the Property or to carry out redevelopment of or substantial works to the Property or any building or which the Property forms part or any adjoining premises which cannot reasonably be expected to be carried out without the Property becoming vacant to facilitate the carrying out of the same.
- (c) Any mortgagee or chargee of the Property has refused or withdrawn its consent which will be required for the extension of the tenancy following the expiry of the Current Term.
- (d) The Landlord (or one of the Landlords) or a member of the family of the Landlord (or any of the Landlords) bona fide intends to reside in the Property. "Member of the family" shall be interpreted in



accordance with Section 258 of the Housing Act 2004 (which sets out the statutory definition of who is to be treated as a member of the family).

- (e) The Landlord (or one of the Landlords) who entered into the Existing Tenancy has died.
- (f) Suitable alternative accommodation is available for the Tenant. Suitable alternative accommodation has the meaning given to it in Part III of Schedule 2 to the Housing Act 1988 (this sets out the circumstances in which accommodation is to be regarded as suitable alternative accommodation for this purpose).
- (g) The Landlord (or one of the Landlords) is suffering from serious ill health so that the Landlord is no longer able to continue to let the Property.
- (h) The Landlord requires the Property in order that it can be occupied by someone who is a dependent of the Landlord or to whom the Landlord otherwise owes some legal or serious moral obligation to maintain that person or that person is suffering from some illness or disability as a result of which the Landlord wishes to make the accommodation available to him or her.
- (i) There are other special circumstances for other good and substantial reasons as a result of which the Landlord does not wish (and cannot reasonably be expected) to renew the tenancy.

9.2 The Landlord shall notify the Tenant in writing if the Landlord refuses to renew the tenancy under this clause with reasons. Any such notification must be given before or within 4 weeks of the service of the Option Notice (time being of the essence). Any dispute shall be determined in accordance with Clause 19.

## **10. OPTION CEASING TO BE OF EFFECT**

The Option shall cease to be of effect if the Tenant has not exercised the Option during any Option Period when the Tenant was entitled to exercise the same for any reason.

## **11. LAPSE OF THIS AGREEMENT**

11.1 This Agreement shall lapse in any of the circumstances referred to in clauses 7,8, 9 and 10 or in this clause.

11.2 This Agreement shall lapse if, at any time, the Tenancy ceases to be an assured shorthold tenancy within the meaning of the Housing Act 1988

11.3 This Agreement shall also lapse if the Tenancy of the Property ends for any reason.

11.4 Where this Agreement lapses any Option Notice shall be of not effect but this shall not affect the coming into existence of a statutory periodic tenancy allowing the Tenant to remain in occupation.

11.5 Any dispute about whether the option has lapsed whether under this Clause or any other clause shall be determined in accordance with Clause 19.

## **12. RENT REVIEW**

12.1 If required by the Landlord the rent payable under the Tenancy is to be reviewed as from the Commencement Date in which case the Landlord must notify the Tenant of this in writing before the Commencement Date (time being of the essence) :

12.2 If the Landlord makes a requirement for the rent to be reviewed under clause 12.1 the rent payable commencing on the Commencement Date shall be as determined as provided in Clause 13 but the rent shall continue to be paid at the current rate pending the review.

## **13. NEW RENT**

13.1 The rent shall be determined as at the Commencement Date in the same manner as if it was being determined under Section 14 of the Housing Act 1988.

13.2 Where the rent is inclusive of any Council Tax water charges or utility charges (including Green Deal Charges) in respect of the Property and such item is borne by the Landlord or a Superior Landlord any determination under this Clause shall be made as if the Council Tax or other item were not so borne but it shall be added back to determine the rent payable by the Tenant under the Tenancy.

13.3 Upon the agreement or determination of rent payable following a review any shortfall shall be paid to the Landlord by the Tenant within 14 days of the date of agreement or determination.

13.4 If the Tenant has made an enquiry under clause 14 of the Landlord and the Landlord has notified the Tenant in writing of the proposed rent for the New Tenancy which is greater than the rent then payable under the Existing Tenancy this shall be treated as a requirement for a review of the rent.

13.5 The Landlord and the Tenant shall endeavour to agree the amount of the new rent payable under the New Tenancy (where the Landlord requires the rent to be reviewed) and if no agreement is reached before the Commencement Date then either the Landlord or the Tenant may refer the determination of the rent to the disputes procedure set out in Clause 19.

13.6 Referring the rent for determination under the disputes procedure in clause 19 shall not prevent the Landlord and Tenant from subsequently agreeing on the new rent.

13.7 The agreement of the Guarantor to the new rent shall not be required.

13.8 Any agreement of the new rent between the Landlord and the Tenant must be in writing.

#### **14. TENANT'S ENQUIRIES**

14.1 The Tenant may request information from the Landlord as to which the Landlord would object to the extension of the Option and if not the amount of the rent which should be paid.

14.2 The Landlord must respond to any such request in writing with any information recently requested by the period of 14 days after receiving the request (or such longer period as the Landlord and Tenant may agree).

#### **15. SALES AND TRANSFERS OF PROPERTY**

15.1 In the event of the Landlord (or the Landlord's personal representatives) selling, transferring or otherwise disposing of the Property or any interest in the Property (other than by way of mortgage or charge) then unless the provisions of this Agreement shall have lapsed the provisions of this clause shall apply.

15.2 The Landlord (or the Landlord's personal representatives) shall sell, transfer or dispose of the Property or any interest in the Property subject to and with the benefit of this Agreement and shall procure that any person ("the Disponee") to whom the Property or such Interest is sold, transferred or otherwise disposed of complies with the provisions of this Agreement and that the Tenant continues to be entitled to the benefit of the Option.

15.3 The obligation to be imposed on the Disponee in accordance with this clause shall not simply be by way of indemnity but shall require the Disponee to agree with the Landlord or personal representatives) effecting such sale, transfer or other disposition as well as the Tenant that the Disponee is bound by the Option and will comply with the provisions of this Agreement.

15.4 If the Landlord (or the Landlord's personal representatives) shall fail or omit to comply with this clause and in consequence that the Tenant is unable to exercise the Option (where the Tenant would otherwise be entitled to do so) then the Tenant shall be entitled to compensation for the loss of the benefit of the Option.

15.5 The provisions of this Clause shall apply to the Landlord for the time being (including any personal representatives of such Landlord) and shall apply on each successive sale or transfer or other disposition referred to in Clause 15.1.

#### **16. JOINT TENANTS**

Where more than one person is named as Tenant then in order to exercise the Option of request must be signed by all persons who are the Tenants or must be

signed on behalf of any Tenant who does not sign the request by another Tenant or someone else who is properly authorised to sign on behalf of that Tenant.

## **17. NOTICES**

- 17.1 Any notice (including a notification) under this Agreement must be given in writing. For these purposes writing includes email.
- 17.2 In the case of notice to the Landlord notice must be given to the address for service of notices under the Tenancy by personal delivery by or on behalf of the Tenant or by recorded delivery or other postal service where a certificate of posting is provided. Alternatively, it may be sent by email to any Landlord's email address as used by the Landlord in communications with the Tenant (or instead the email address notified by the Landlord to the Tenant for these purposes).
- 17.3 The Landlord may give notice to the Tenant by personal delivery by or on behalf of the Tenant or by recorded delivery or other postal service for which a certificate of posting is provided. The Landlord may also communicate with the last email address which is used by the Tenant in communication with the Landlord (unless another email address is notified to the Landlord by the Tenant for these purposes).
- 17.4 When the Property is managed on behalf of the Landlord by an Agent notice may be sent instead to the Agent in the same manner as provided in clause 17.2.
- 17.5 Any notice shall be treated as served as follows:-
- 17.5.1 By personal delivery at the time of such delivery
  - 17.5.2 By first class post on the first business day following posting
  - 17.5.3 By second class post on the third business day following the day of posting
  - 17.5.4 By email then instantaneously at the time of sending the email

## **18. DATES**

- 18.1 Where a calculation of a period of time is made by reference to the expiry date of the Current Term or the expiry date of the Option Period the following shall apply:-
- 18.1.1 The possibility of or any provision for the early termination of the Term of the Tenancy shall be ignored.
  - 18.1.2 In counting back from the expiry date of the Current Terms or the expiry of the Option Period (as the case may be) the day of expiry itself shall be included as shall be the equivalent day of the week in working out the start date of the period in question.
- 18.2 This means, for example, that if the expiry date of the Current Term or the expiry date of the Option Period is on the 19<sup>th</sup> November which is a Wednesday and there is a requirement to act at least ten weeks before

then the last day for doing the thing in question would be Tuesday 9<sup>th</sup> September.

## **19. DISPUTES**

- 19.1 Any dispute or difference concerning this Agreement or its implementation or interpretation, including the amount of any rent payable (where this is required to be determined) (“the dispute”) may with the written agreement of the Landlord and the Tenant be determined by an independent adjudicator appointed by **[insert name of appointing body to be inserted]** acting as an adjudicator (the Adjudicator). Agreement to adjudication may be given by the parties on line.
- 19.2 The decision of the Adjudicator shall be final and binding on the Landlord, the Tenant and the Guarantor.
- 19.3 The procedure for determining any such dispute or difference shall be laid down by the Adjudicator but each party to the Adjudication shall be entitled to make written representations to the Adjudicator and comment on any representations made by any other party within such period as may be laid down by the Adjudicator (so long as a minimum period of 10 days is allowed for the making of such representations or counter representations).
- 19.4 Any reference to the Adjudicator shall be accompanied by the Adjudicator’s fee which, in the first instance, shall be paid by the Landlord. Where the reference is made by the Tenant the Landlord must pay the fee within 14 days of the receipt of the copy of the reference.
- 19.5 The Adjudicator’s fee shall ultimately be paid in such shares as the Adjudicator may direct and if no such direction is given then paid equally by the Landlord and the Tenant.
- 19.6 Any amount due from the Tenant to the Landlord in respect of the Adjudicator’s fee under clause 19.5 shall be reimbursed in full within 10 days of written demand for the payment of the same by the Landlord.
- 19.7 If the Tenant shall fail to pay then this shall be treated as a breach of the terms of the tenancy and additionally at the end of the tenancy the Landlord shall be entitled to claim payment from any Tenancy Deposit paid by the Tenant.
- 19.8 Either party may refer any dispute of difference to the Adjudicator by a request in writing. This shall be copied to the other party. This includes a request to determine a revised rent under Clause 13. References to an Adjudicator must be sent in the first instance to **[insert name of body appointing adjudicator]**.
- 19.9 If the Landlord fails to pay the Adjudicator’s fee as required by this clause then the reference of the dispute to adjudication shall be treated as withdrawn with the consequences provided for in Clause 19.12.

- 19.10 The provisions of this Clause shall not affect the right of either the Landlord or the Tenant to commence Court proceedings in a Court of competent jurisdiction unless they have agreed to determination of the dispute by way of Adjudication to resolve the dispute.
- 19.11 Any dispute must be referred to an Adjudicator or to the Court no later than the Commencement Date (as to which time shall be of the essence). Failure to make a reference to adjudication or commence Court proceedings before the Commencement Date shall mean that the Tenant is entitled to the extension of the Tenancy as if the Option had been validly exercised or that (where applicable) no review of the rent shall take place.
- 19.12 If the Landlord shall fail to pay the fee following a reference to adjudication as required by Clause 19.4 then the Tenant is entitled to a an extension of the Tenancy as if the Option had been validly exercised or (if the reference concerns or includes the amount of rent payable) the rent shall continue to be payable at the rate previously payable instead of any increase requested by the Landlord.

## **20. ASSIGNMENT**

- 20.1 The benefit of this Agreement cannot be assigned otherwise than at the same time as the assignment of the tenancy and then only to the persons to whom the benefit of the tenancy is assigned with the Landlord's consent where required.
- 20.2 No person who is not a Tenant may take the benefit of this Agreement.
- 20.3 If the provisions for statutory succession apply under Section 17 of the Housing Act 1988 the Tenant by succession may take the benefit of this Agreement but otherwise the personal representatives of the deceased tenant shall not be entitled to the benefit of this Agreement.
- 20.4 Any assignment of the Tenancy which is permitted under the Tenancy shall also operate as an assignment of this Agreement to the Assignee unless the Option has lapsed or the document effecting the assignment of the tenancy provides otherwise.

## **21. NON EXERCISE OF THE OPTION**

If for any reason the Tenant fails to or omits to exercise the Option or the exercise of the Option is of no effect or the Option has lapsed then on the expiry of the fixed term of the existing tenancy the provisions of Section 5 of the Housing Act 1988 under which a statutory periodic tenancy has come into existence in certain circumstances, may apply so that if the Tenant wishes to remain in possession he or she may be entitled to do so by virtue of a statutory periodic tenancy. This does not affect the right of the Landlord to serve a notice under Section 21 of that Act notifying an intention to take proceedings for possession of the property.

## **22. LENDERS**

Nothing contained in this Agreement shall affect the right of the mortgagee or chargee of the property to exercise their right to obtain possession of the Property under Ground 2 in Schedule 2 to the Housing Act 1988 (where a Ground 1 and 2 notice has been given this means that if the lender wishes to obtain vacant possession of the Property then the lender may obtain an order for possession against the tenant).

### **23. ALTERNATIVE TERMS**

Nothing shall prevent the Landlord and Tenant agreeing other terms regarding the Extension of the Tenancy so long as such agreement is made in writing. This does not extend to permitting the parties to agree to any variation to the provisions of Clause 19 in the event of any dispute or other matter being subject to adjudication

### **24. RIGHTS OF THIRD PARTY**

24.1 A person who is not a party to this Agreement shall not have any rights under or in connection with it.

24.2 This provision shall not affect the right of the person who is the tenant for the time being to enforce the provisions of this Agreement against the person who is the landlord for the time being and vice versa.