

**Y TRIBIWNLYS EIDDO PRESWYL**  
**RESIDENTIAL PROPERTY TRIBUNAL**  
**RENT ASSESSMENT COMMITTEE**

**Reference: RAC/0010/07/23**

**In the matter of 968, Old St Mellons Court, Afon Close, Newport Road, Cardiff, CF3 5UA**

**In the matter of an application under Section 123 of the Renting Homes (Wales) Act 2016 and the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022.**

**COMMITTEE:**            Mr R. Payne                    (Tribunal Judge)  
                              Mr A. Lewis                    (Surveyor)  
                              Mrs C. Calvin-Thomas        (Lay Member)

**APPLICANT:**            Mrs Maria Da Conceicao Semedo Soares Correia.

**RESPONDENT:**         The Residential Investment Company Limited.

**Hearing date; 24<sup>th</sup> October 2023 at Oak House, Cleppa Park, Newport NP10 8BD.**

**The Applicant appeared in person.  
Mr Martin Burnett appeared for the Respondent.**

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**REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE**

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**The Decision in Summary**

- 1. For the reasons given below, the Rent Assessment Committee determined on 24<sup>th</sup> October 2023 that the rent at which the dwelling might reasonably be expected to be let in the open market by a willing landlord under the same type of relevant converted contract on 27<sup>th</sup> July 2023 is £1,500 per calendar month. In accordance with the law, the rent of £1,500 per calendar month is payable from 27<sup>th</sup> July 2023.**

**The Application**

2. The Applicant is the tenant of premises at 968 Old St Mellons Court, Cardiff, CF3 5UA, (“the dwelling”) and initially occupied the unfurnished dwelling under an assured shorthold tenancy under the Housing Act 1988 granted in November 2018, which was subsequently renewed. With effect from 1<sup>st</sup> December 2022, when the Renting Homes (Wales) Act 2016 (“the Act”), came into force, the previous tenancy became a converted periodic standard occupation contract under the Act (see further under “The Law”, below).
3. By form RHW12, “Notice of Variation of Rent” under the Act, dated 16<sup>th</sup> May 2023, the Respondent landlord gave notice, via their agents Burnett Davies Lettings, that the existing rent of £900 per month was to be varied and that the rent payable from 27<sup>th</sup> July 2023 was to be £1600 per month.
4. The Applicant applied to the Rent Assessment Committee by form RAC4 dated 20<sup>th</sup> July 2023, to challenge the proposed new rent. Directions dated 27<sup>th</sup> July 2023 were given to the parties to prepare the matter for hearing which was listed for 24<sup>th</sup> October 2023. The applicant appeared in person and represented herself with the assistance of Italian translator Ms Nadia Gibbs. The respondent was represented by Mr Martin Burnett of Burnett Davies surveyors.

#### **The Property and inspection.**

5. The Committee inspected the property during the morning of Tuesday 24<sup>th</sup> October 2023 when the weather was fine and dry. The property is a mid-terraced three storey town house constructed within the last twenty years, located within a small private development, just off Newport Road in the Old St Mellons District of Cardiff to the east of the City Centre. Externally the property has coloured cement rendered elevations under a pitched slate covered roof which incorporates dormer windows to the second floor. All the window frames are uPVC double glazed, with double doors on the rear elevation of the first floor to a Juliet Balcony accessed from the lounge. The property enjoys gas central heating from a boiler located in the kitchen.
6. To the front of the property is a single car space in front of the single car garage which is incorporated into the layout of the ground floor. To the rear is a small garden. The accommodation includes *Ground Floor*; entrance hall, cloakroom/wc , dining room leading into the kitchen 3.546m x 2.782. Kitchen 3.519 x 2.101, single garage. *First Floor*; landing, lounge 5.006 x 4.564 (max), bedroom one, 2.904 x 3.921, shower room/wc. *Second Floor*; landing, bedroom two, 2.905 x 3.728, bedroom three 2.901 x 4.658, bedroom 4, 1.983 x 2.824 (measured to 1.5 metres), bathroom/wc.
7. The property is generally in good condition with no items of disrepair. The carpets throughout are worn and soiled in various areas.
8. The Applicant was present throughout the inspection. There was no attendance by or on behalf of the Respondent landlord who had been notified of the same.

## The Law

9. As noted above, the Renting Homes (Wales) Act 2016 now governs the relations between landlords and tenants of domestic dwellings in Wales. Section 239 of the Act came into force on 1 December 2022 and abolished assured, secure and other tenancies in Wales. Existing tenancies under the Housing Act 1988, such as the tenancy in this case, were converted into occupation contracts by section 240 of the Act. Occupation contracts are either secure or standard occupation contracts. The Applicants have a standard periodic occupation contract. It follows that the Housing Act 1988, which remains in force in England, is no longer of application in Wales in relation to increases of rent of converted tenancies.
10. Section 123 of the Act relates to the variation of rent under a periodic standard contract. Section 123 states;
- “Variation of rent***
- (1)The landlord may vary the rent payable under a periodic standard contract by giving the contract-holder a Notice setting out a new rent to take effect on the date specified in the Notice.*
- (2) The period between the day on which the Notice is given to the contract-holder and the specified date may not be less than two months.***
- (3) Subject to that—*
- (a)the first Notice may specify any date, and*
- (b)subsequent Notices must specify a date which is not less than one year after the last date on which a new rent took effect.*
- (4) This section is a fundamental provision which is incorporated as a term of all periodic standard contracts under which rent is payable.” [Our emphasis].*
11. Although section 13 Housing Act 1988 no longer applies in Wales, it should be noted that there are differences between the requirements of a notice to increase the rent under section 13 of the 1988 Act and the current position in Wales under the Act. Under section 13 of the Housing Act 1988 there was a minimum period of one month’s notice, and the proposed new rent was to commence at the start date of a new period of the tenancy. Neither of these matters are requirements under the Act in Wales. There is no requirement for the new rent to take effect from the beginning of a new period of the tenancy, and as noted above, not less than two months' notice is to be given of the specified date when the new rent takes effect.
12. Paragraph 15(2) of Schedule 12 to the Act said that the Welsh Ministers were to make provision by regulations to enable contract holders following receipt of a notice of variation of rent under the Act, to be able to apply for a determination of the rent for

the dwelling. Accordingly, the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022 (“the Regulations”) govern the determination of the rent on appeal to the Rent Assessment Committee. The salient parts of the Regulations are set out below;

**“Application to a rent assessment committee**

**3.—***(1) Following receipt of a Notice under section 104 or 123 of the Act, a relevant contract-holder may apply to a rent assessment committee for a determination of the rent for the dwelling.*

*(2) The application to a rent assessment committee must be made—*

*(a) in the prescribed form, and*

***(b) within 2 months following receipt of the Notice under section 104 or 123 of the Act.***

***(3) The prescribed form is as set out in the Schedule.***

*(4) An application in a form substantially to the same effect as the prescribed form is valid.*

**Determination of rent by a rent assessment committee**

**4.** *A rent assessment committee must determine all applications made under regulation 3 in accordance with the assumptions set out in regulation 6.*

**Variation of rent upon a determination by a rent assessment committee**

**5.** *A rent determined by a rent assessment committee, in accordance with the assumptions set out in regulation 6, **will be the rent for the dwelling under the relevant converted contract with effect from the date specified in the Notice under section 104 or 123 of the Act, unless the landlord and the relevant contract-holder otherwise agree.***

**Assumptions in accordance with which a rent assessment committee must determine rent**

**6.** *When making a determination of rent for a dwelling under these Regulations, a rent assessment committee must determine the rent at which it considers the dwelling concerned might reasonably be expected to be let in the open market by a willing landlord under the same type of relevant converted contract as that to which the Notice under section 104 or 123 of the Act relates, assuming that—*

*(a) the relevant converted contract begins on the date specified in the Notice under section 104 or 123 of the Act,*

*(b) the granting of a contract to a sitting contract-holder has no effect on the rent,*

*(c) any increase in the value of the dwelling attributable to a relevant improvement carried out by a person who at the time it was carried out was the relevant tenant or licensee or relevant contract-holder **has no effect on the rent, if the improvement was carried out—***

*(i) otherwise than in pursuance of an obligation to the immediate landlord, or*

*(ii) pursuant to an obligation to the immediate landlord being an obligation which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement,*

*(d) any reduction in the value of the dwelling attributable to a failure by the relevant tenant or licensee or relevant contract-holder to comply with any terms of the relevant preceding tenancy or licence or relevant converted contract has no effect on the rent,*

*(e) where the landlord or a superior landlord is liable to pay council tax in respect of a hereditament of which the dwelling forms part, under Part 1 of the Local Government Finance Act 1992, the amount of council tax which, as at the date on which the Notice under section 104 or 123 was served, was set by the billing authority—*

*(i) for the financial year in which the Notice was served, and*

*(ii) for the category of dwellings within which the relevant hereditament fell on that date, has an effect on the rent, but any discount or other reduction affecting the amount of council tax payable has no effect on the rent, and*

*(f) neither the landlord nor a superior landlord is paying rates in respect of the dwelling.” [Our emphasis in bold].*

### **Evidence and Representations**

13. The parties provided written representations in accordance with the directions. The Applicant’s statement was dated 11 August 2023 and was prepared with assistance from Shelter Cymru. The Applicant attached details of other properties for rent, one in St Mellons, one at St Edeyrn’s Village Old St Mellons, and one in Trowbridge, Cardiff.

14. The Respondent provided a schedule with details of comparable rents.

### **Evidence at the hearing.**

15. The Applicant, who confirmed that she was content to be referred to as Mrs Semedo, said that her tenancy had begun on 27 November 2018 and the rent had not been increased since that time. Her principal objection was to the amount of the increase and that it was so sudden. She described this increase as being out of the blue and

totally unexpected and could not see the goodwill or the sense in making such an enormous jump in the amount required.

16. Mrs Semedo said that she considered a fair market rent figure would be £1100 or £1,200 per month as a compromise and this would be fair and what she could afford for the rent excluding bills. Mrs Semedo referred to examples of comparable properties that she had provided. She noted that the property for rent in Cath Cobb Close and one in Mullins Avenue were £1200 per calendar month although one had a large kitchen and the other one was closer to amenities. Mrs Semedo said she was simply unable to afford the rent increase required as she works part time and has parenting duties meaning she cannot work full-time. She had made enquiries to see if she could purchase the property but was unable to do so.
17. Mrs Semedo stressed that she had no complaints about the property and described Mr Burnett as a good landlord. She said that if there had been for example small niggling things such as a need to fix the alarm, these had been dealt with by the landlord promptly. She confirmed that the property had been let unfurnished. She disputed that the property was a four bedroomed property and argued that it was a three-bedroom property.
18. Mr Burnett confirmed that although Mrs Semedo had suggested a figure of £1100 or £1,200 per calendar month this was not sufficient. He referred to the selection of comparable two and three bedroomed properties that he had provided with a range of monthly rents from just under £1,000 to over £2,000. He said that the subject property was a four bedroomed property with private parking, a garage and an enclosed garden. Commenting upon the tenant's comparables, the property at Mullins Avenue was three bedroomed and semi-detached and not in as good a location as the subject property which he believed would attract a higher rent in the open market.
19. Mr Burnett noted that the property was originally let at £900 per month, there had been no increase in five years during which time rents had risen dramatically. Mr Burnett said there had not been an increase since 2018 because previously mortgage interest rates were very low. The Respondent has quite a large portfolio and the Respondent tries to keep the rental levels at a sustainable level. He said that with current borrowing costs the mortgage costs for the subject property were around £1700 a month and that the rent requested would not cover the current mortgage but due to the size of the Respondent's portfolio, they can balance things out. Mr Burnett said that he realised that this was not an issue for the tenant, and he stressed that he did not rely on this in support of his market rent arguments.
20. From the list of comparable properties supplied by Mr Burnett he referred to the 4 bedroomed house at Heritage Park that had been let for £1,500 per calendar month. Mr Burnett said that the Respondent had recently sold the block of flats opposite the subject property and two bedroomed flats there are being rented for £800 per calendar month. He accepted that in the subject property the carpets are a little tired. He said that the carpets would have to be replaced and the Company re-decorates as

a matter of course and redecoration costs would be around £1,000 and the carpets around £2,000. Regarding the comparable property at Wentloog Road, this is a four bedroomed house that was let at £1,400 per calendar month. Mr Burnett described that location as a busy road with a lot of traffic whereas the current property is in a private development off the street which is secure and safe with no through traffic at all.

21. Mr Burnett stressed that there was little that the Respondent could do when interest rates were so high and argued that the Applicant has had a good five years at a very competitive rent. He repeated that before they had sold the flats opposite to Mrs Semedo's rental property, they were achieving £800 for a second floor flat with two bedrooms, and rents for those flats had risen from £525 to around £800 in the same period. Mr Burnett maintained that the property is a four-bedroom property.

### **Determination**

22. The Committee found both witnesses to be reliable witnesses of truth and noted that Mrs Semedo had no complaints about her landlord.

### **The Appropriate Rent**

23. The starting point for the Committee is to consider the appropriate market rent for the property. The Committee notes that the current rent is £900 per month and that this has not been increased for nearly three years. The proposed new rent is £1600 per calendar month. The Committee considers that a rental of £1600 per calendar months is reasonable as a starting point.
24. The Committee carefully considered the comparables that had been provided by both parties. The Committee's surveyor visited the three comparable locations provided by the Applicant but was unable to visit the Respondent's comparables as no specific addresses had been provided. The property in Church Road in St Edeyrn's village is a brand-new three-bedroom property for rent at £1,500 per calendar month. The Committee find that the subject property is a four-bedroom property. Whilst the Applicant was using the fourth bedroom as a home office, its measurements were 2.824 m x 1.983 m upon the Committee's surveyor's measurements. By comparison for the three bedroomed property at the Persimmon site on Church Road, St. Edeyrn's, the third bedroom was 2.32 m x 1.78 m, and the second bedroom was slightly larger at 2.81 m x 2.32 m.
25. The Committee considered the Applicant's submission that £1,200 per calendar month was an appropriate rent, and her reliance upon the property at Mullins Avenue. However, that was a smaller three bedroomed property in a less desirable location than the subject property, suggesting that the rent should be above this amount.

26. Therefore, upon the evidence, in which the rental market in Cardiff has seen recent increases, the Committee find that £1,600 per calendar month is a reasonable market rent as a starting point for the property which does benefit from a quiet location with private parking. Upon Mr Burnett's own evidence, the carpets need replacing throughout the subject property and it needs redecoration throughout before it would be marketed at £1,600 per calendar month. The Committee make an adjustment to reflect this and find that the current market rent is £1,500 per calendar month, payable with effect from 27<sup>th</sup> of July 2003.
27. The Committee had considerable sympathy with the Applicant who is a hardworking, well-educated tenant who, upon her evidence will be placed in difficulty by this rent rise, which will have unfortunate consequences for her and her family. She is a good tenant and Mr Burnett confirmed that there had not been any issues regarding her occupancy and conduct as a tenant. However, the Committee is unable to take into account any personal hardship that may be caused by decisions to determine a market rent, as the Committee is bound to apply the law as set out earlier in this decision.

### Determination

The Rent Assessment Committee hereby determines that:

1. The rent at which the dwelling might reasonably be expected to be let in the open market by a willing landlord under the same type of relevant converted contract in July 2023 is £1,500 per calendar month. **In accordance with paragraph 5 of the Regulations, the rent of £1,500 is payable with effect from 27<sup>th</sup> July 2023, namely the date specified in the notice under section 123 of the Act (unless the landlord and the contract holders otherwise agree a different date).**

**DATED this 16<sup>th</sup> day of January 2024**  
**Richard Payne**  
**Tribunal Judge**