## Y TRIBIWNYLS EIDDO PRESWYL

## RESIDENTIAL PROPERTY TRIBUNAL

#### RENT ASSESSMENT COMMITTEE

**Reference:** RAC/0007/06/24

In the matter of Melton Lodge, The Lane, St Nicholas, Cardiff, CF5 6SD

In the matter of an application under the Renting Homes (Wales) Act 2016 & the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022

Tribunal Judge: Mrs S Westby
Surveyor Member: Mr A. Lewis
Lay Member: Mr H. Jones

**Applicants:** Mr Stephen Durdy and Ms Claire Durdy

**Respondent:** Mr Anthony Gee

**Date and Venue of Hearing:** 18 September 2024. Determination on the papers.

## **Decision**

The Tribunal determines that the rent payable for the Property is £900 per calendar month, which is the current passing rent.

## Reasons

# **Background**

- 1. The Applicants, Mr Stephen Durdy and Ms Claire Durdy, occupy the property known as Melton Lodge, The Lane, St Nicholas, Cardiff, CF5 6SD ("the Property"). The landlord is the Respondent, Mr Anthony Gee.
- 2. The Applicants entered into occupation of the Property on 1 August 2019 by virtue of a 6 month Assured Shorthold Tenancy Agreement at a rent of £900 per calendar month.
- 3. Once the fixed term of the tenancy had ended, a statutory periodic tenancy arose by virtue of the Applicants remaining in the Property and the landlord accepting rent.
- 4. The Renting Homes (Wales) Act 2016 ("the 2016 Act") was implemented on 1 December 2022. As a result of this legislation, the Applicants' statutory periodic tenancy was automatically converted to a periodic standard contract, which is the basis upon which the Applicants currently occupy the Property.

# The Application

- 5. On 31 May 2024, the Respondent served upon the Applicants a Notice of Variation of Rent in Form RHW12 pursuant to s.123(1) of the 2016 Act ("the Notice").
- 6. The Notice proposed a new rent of £1,500 per calendar month with effect from 1 August 2024, in place of the existing rent of £900 per calendar month.
- 7. By way of an application dated 31 May 2024, the Applicants made an application for determination of the rent to the Tribunal in accordance with s.3 of the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022 ("the 2022 Regulations").
- 8. On 1 July 2024, the Tribunal issued directions. Both parties have submitted written evidence in accordance with these directions.
- 9. The Respondent relies upon a statement of his own dated 16 July 2024. In that statement, the Respondent states that the Property is located in a sought-after area and that there are comparable properties in less desirable areas which are offered for rent at £2,000 per calendar month. The Respondent has provided evidence in the form of print-outs from Rightmove of various 3- and 4-bedroom properties to support his contention that the rent for the Property should be increased to £1,500 per calendar month. The Respondent states that, although the Property used to have 3 bedrooms, the garage was converted into a bedroom, such that the Property now has 4 bedrooms.
- 10. The Applicants rely upon a joint statement dated 28 July 2024 in which the Applicants state that the Property was originally advertised as a 3-bedroom property with a converted garage and that the Vale of Glamorgan Council class the Property as a 3-bedroom property for the purposes of council tax and housing benefit. The Applicants claim that the Property is situate in a hamlet that is now less desirable than it once was, mainly because it no longer lies in the catchment area of a prestigious local school. The Applicants have provided evidence of 3-bedroom properties they say are closer in location to the Property and are in a much more desirable area than that of the Property. These properties are offered to rent between £1,100 and £1,350 per calendar month. None of these properties appear to be detached.
- 11. Further comparables within a quarter of a mile of the Property are put forward by the Applicants. This includes two Form RHW12s which propose rents of £535 and £605 per calendar month from August 2023, both properties being 3-bedroom semi-detached properties. A statement is also included from a Mr Ian Oakley dated 28 July 2024 which confirms that he rents a 3-bedroom semi-detached property, known as 11 Grants Field, for £1,200 per calendar month. Finally, the Applicants have submitted a print-out of messages between them and a neighbour who lives in a mid-terrace 3-bedroom house, also on Grants Field. The neighbour states that the rent for her property is £900 per calendar month. The four properties within a quarter of a mile of the Property range in rental price from £535 per calendar month to £1,200 per calendar month.

# The Inspection

- 12. The Surveyor Member inspected the Property on 9 September 2024 with both of the Applicants and the Respondent present.
- 13. The Property is located in a small hamlet of The Down, midway between St Nicholas and Culverhouse Cross, Cardiff. The immediate area is rural with the A48 close by. The houses within the hamlet are a mixture of former local authority housing and privately developed one-off homes. Access to the Property is via a single carriageway tarmacadam surface lane.
- 14. The Property is a detached house constructed circa 1970 in cavity brick/block walls under a pitched tile covered roof. All the original window frames have been replaced with uPVC double glazed units, and the Tribunal understands that the original single garage has been converted into residential accommodation. On the ground floor there is an entrance hall, lounge, kitchen, conservatory, dining room (formerly the garage) and toilet, whilst on the first floor there are three bedrooms (two doubles and one single) along with a bathroom/wc. Outside, there is a small garden and off-street parking for two small vehicles to the front, and a garden at the rear.
- 15. During the inspection, the Applicants complained that the central heating had not been operational for four weeks and, at the time of the inspection, it was found to be not functioning. Substantial condensation and mould were present on the ceiling of bedroom 1, and above the rear window of bedroom 3. The Tribunal Surveyor viewed part of the loft space via a drop-down ladder and noted that there was a complete absence of any insulation above the area of condensation in bedroom 1 and further noted a gap between the rear window frame and the wall in bedroom 3. Externally, some of the soffit boarding was missing above the window heads of both windows in bedroom 3.

# **Communications from the parties**

- 16. On 13 September 2024, the Tribunal received a number of emails from the Respondent and the Applicants.
- 17. The Respondent's email stated that, following the surveyor member's inspection, the Applicants had cleaned the mould and condensation from the ceilings which, he states, indicated that the Applicants were causing mould to occur for the purpose of devaluing the rent. The Respondent also claims that the Applicants took the bed out of the fourth bedroom (formerly the garage) and put a table and chairs in from the conservatory to make it look like a 3-bedroom house, rather than a 4-bedroom house. Finally, the Respondent states that the gaps in the windows have now been siliconed and a new boiler is to be installed at the Property on 14 September.
- 18. The Applicants' emails state that the Respondent had previously confirmed that he would not install a new boiler at the Property until the mould had been removed. The

Applicants also confirmed that they had sealed the windows and cleaned the mould after taking advice from the Council.

## Determination

- 19. Following the implementation of the 2016 Act, the Applicants' occupation of the Property was automatically converted to a periodic standard contract on 1 December 2022. Accordingly, jurisdiction to determine this matter arises by virtue of regulation 3 of the 2022 Regulations.
- 20. The Tribunal has considered the Notice dated 31 May 2024. The validity of the Notice is not in dispute and the Tribunal is satisfied that the Notice complies with the requirements of s.123 of the 2016 Act.
- 21. Accordingly, the Tribunal is to determine the rent at which the Property might reasonably be expected to let in the open market by a willing landlord under an occupation contract of the same type as the relevant converted contract and having regard to the assumptions set out in regulation 6 of the 2022 Regulations.
- 22. One of those assumptions, at regulation 6(d) of the 2022 Regulations, is that 'any reduction in the value of the dwelling attributable to a failure by the relevant contract-holder to comply with any terms of the relevant converted contract... has no effect on the rent'.
- 23. At the time of the surveyor member's inspection, there was significant mould and condensation present in two of the bedrooms. It is the Tribunal's expert opinion that such condensation and mould would not have occurred if the roof space had been properly insulated above bedroom 1, and the window frames correctly installed in bedroom 3 with the soffit boards in place. Indeed, the location of the mould and condensation in bedroom 1 directly correlate with the absence of any form of insulation in the loft above that area. In addition, there were gaps between the window frame and wall in bedroom 3 and, at the time of the inspection, the Property had no working boiler. The Tribunal considers that, at the time of its inspection, the Property was in substantial disrepair.
- 24. The Tribunal has reviewed the relevant converted contract and none of the items of disrepair are attributable to the Applicants' failure to comply with the terms of the relevant converted contract and, therefore, the assumption at regulation 6(d) is not relevant to this matter.
- 25. Whilst the Respondent claims that some of the issues have been, or shortly will be, remedied, the Tribunal will determine the rent based upon its inspection of the Property.
- 26. The Tribunal considers that the Property is a 3-bedroom property. Although the garage has been converted into residential accommodation and has previously been used as a bedroom, a room such as this would not commonly be used as a bedroom in a

property of this kind which typically would have its main living areas on the ground floor and bedrooms on the first floor. The Tribunal also notes that the converted room can only be accessed via the conservatory and that the local authority classes the Property as a 3-bedroom property for the purposes of council tax and housing benefit. The Tribunal considers that if the Property were to be marketed for sale, it would be marketed as a 3-bed property.

- 27. The Tribunal considers that the best comparable put forward is 11 Grants Field which is a 3-bedroom semi-detached property accessed from the same lane as the Property. The evidence from the Applicant is that this property is rented at £1,200 per calendar month.
- 28. The Tribunal acknowledges that rents have increased universally in the last few years. The Tribunal considers that if the Property were in good and substantial repair, the Property could achieve £1,500 per calendar month on the open market, which is what the Respondent proposes that the new rent be.
- 29. However, the Property is not in good order and is in too poor of a state to achieve the level of rent sought by the Respondent.
- 30. On the basis that there is: (1) a complete lack of insulation in part of the roof space which has led to condensation and mould in bedroom 1, posing significant health and safety concerns, (2) a gap between the window frame and the wall in bedroom 3; and (3) no working boiler, the Tribunal considers that the current rental level of £900 is appropriate and is what would be achieved on the open market with the Property in the condition that it was in at the time of the inspection.
- 31. The Tribunal utilising its own experience and expertise therefore determines the appropriate rental level to be £900 per calendar month, which is the current passing rent.

Dated this 19<sup>th</sup> day of September 2024

S. Westby Tribunal Judge