

Y TRIBIWNYLS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL

Reference: RAC/0025/12/24

**In the matter of Flat A The Old Post House Commercial Buildings Oakdale
Blackwood NP12 0BD**

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

Tribunal Judge : Ms TE Richards-Clarke

Surveyor member: Mr Andrew Lewis BSc FRICS FCI Arb (Surveyor Member)

Lay member: Mrs Juliet Playfair

Applicant: Ms Sally Morgan

Respondent: Mr Julian Whent

Date and Venue of Hearing: 15 April 2025 Remote Hearing

Decision

The Tribunal determines that the market rent payable for the property is £510 per calendar month. The new rent is payable from 22 January 2025.

Reasons

Background

1. The Applicant, Ms Sally Morgan occupies the property known as Flat A The Old Post House Commercial Buildings Oakdale Blackwood NP12 0BD. The Respondent landlord is Mr Julian Whent.
2. The Applicant entered into occupation of the property in around January 2018 at a rent of £450 per calendar month inclusive of gas, electricity, and water bills. Mr Julian Whent became the landlord of the property on 22 November 2024

3. *The Renting Homes (Wales) Act 2016* was implemented on 1 December 2022. As a result of this the Applicant's statutory periodic tenancy was automatically converted to a periodic standard contract.

The Application

4. On 23 November 2024, the Respondent served a Notice of Variation of Rent in Form RHW 12 [page 12 hearing bundle] pursuant to *section 123 Renting Homes (Wales) Act 2016*. This proposed a rent of £600 per calendar month from 22 January 2025 to replace the existing rent of £450 per calendar month. The new proposed rent is exclusive of gas, electricity and water bills.
5. The Applicant has made an application for determination of the rent to the Tribunal in accordance with *section 3 The Renting Homes (Rent Determination (Converted Contracts) (Wales) Regulations 2022*.
6. On 31 December 2024, the Tribunal issued directions. Both parties have submitted written evidence in accordance with these directions.
7. The Applicant tenant relies on her statement 7 January 2025 and documents [page 56 to 102 bundle]. In this statement Ms Morgan raises the length of the notice given in the Notice of Variation of rent, the start date of the increased rent, the level of the rent given the issues with the property, and the proportion of the bills attributed to her property and the commercial property downstairs [page 81 of the bundle].
8. The Respondent landlord relies on the rent for comparable flats as at 3 April 2025 at pages 107 to 113 of the hearing bundle. Mr Whent considers that £600 is the going rent for one bedroom flats in the area and that average gas, electricity and water for a one bedroom flat is £300 per calendar month.
9. In response the Applicant tenant considers that the comparable flats provided by the Respondent are of a very high standard and therefore deserve the asking rent. The Applicant disputes the equal split of the utility bills with the commercial premises downstairs stating that she is rarely at home and is scared to put the heating on as she has to leave her flat to do so. The Applicant relies on the rent for comparable flats at pages 119-121 of the hearing bundle.
10. The Tribunal inspected the Property on the morning of 15 April 2025 with the determination then taking place following a remote hearing attended by both parties.

The Legal Framework

11. *The Renting Homes (Wales) Act 2016* provides as follows:

Section 123 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.

12. *The Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022* provides as follows:

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,

The Inspection

13. The inspection of the property was undertaken during the morning of 15 April 2025 when the Applicant was in attendance, along with all members of the Tribunal.
14. The property is constructed in cavity brick form under a pitched slate roof circa 1930, forming part of a semi-detached building originally occupied as a house but later converted into a shop with living accommodation. The ground floor is presently occupied as a nail bar/ beauty salon/hairstylist with direct access from the pavement, with the subject being a self-contained first floor flat. Access to the flat is on the side of the property off Pen-Rhiw Bengi Lane into a ground floor entrance hall with a staircase leading to the first floor. On the first floor there is a lounge, kitchen, bedroom, and shower room/wc. All of the original window frames have been replaced with uPVC double glazed units, and there are radiators in all rooms. The kitchen is well presented with modern units housing white goods in the ownership of the Applicant.
15. There is gas central heating within the flat from a combi boiler located in the rear portion of the commercial premises, which is shared with the ground floor commercial occupier. The Tribunal understands that for the Applicant to control the central heating in her accommodation she is required to externally exit her flat and access the commercial accommodation, since the timeclock on the boiler and thermostat located in the entrance hall of the flat is non-functional. The gas consumed at the building is a single supply, as is the electricity, with both meters located within the commercial unit. Further the consumer board for the electricity within the flat is also located within the commercial unit.
16. Overall, the flat was in reasonable condition and no items of disrepair were noted that materially affect the rental value of same

Deliberations

17. Following the implementation of the *Renting Homes (Wales) Act 2016* 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 The Renting Homes (Rent Determination (Converted Contracts) (Wales) Regulations 2022*.

18. The Tribunal has considered the notice dated 23 November 2024. The Tribunal have had regard to the Applicant's representations and are satisfied that as this is the first notice of variation of rent the notice complies with the requirements of *section 123(1) (2) (3) Renting Homes (Wales) Act 2016*.
19. Therefore, the Tribunal is to determine the rent which the property might reasonably be expected to let in the open market by a willing landlord under the same type of relevant converted contract having regard to *regulation 6 The Renting Homes (Rent Determination (Converted Contracts) (Wales) Regulations 2022*.
20. The comparables provided by the Respondent for consideration are wide ranging and reference differing styles/ages and levels of specification [page 107-113 of the bundle]. It would appear that these comparables are asking rents and we do not have the full detail behind them. The asking rents for the one bedroom properties relied on vary from £630 to £700 per calendar month.
21. In response the Applicant considers that these properties are of a higher standard than the property in dispute. The comparables provided by the Applicant for consideration are at pages 119-121 of the bundle. Again, these comparables are for asking rents and we do not have the full detail behind them. The asking rent for these properties vary from £560 to £695 per calendar month. The Applicant also directed the Tribunal to a one bedroom flat in the local area at an asking rent of £575 per calendar month.
22. We have considered the availability of properties locally and note that asking rents can range from £560 to £700 for a well specified 1 bed flat of similar age to the subject property. The location and the current condition and specification of the subject property is bound to impact upon the rent despite the relatively strong market. We consider that in its present condition the rental value for the subject property is fairly represented at £600 per calendar month as proposed by the Respondent landlord.
23. However, the Tribunal was of the view that the arrangements for the heating and electricity of the subject property warrant a discount to the rent at which the property might reasonably be expected to let in the open market. The current arrangements are that both the combi central heating boiler and the consumer board for the electricity are located in the commercial premises below the subject property and shared with the ground floor commercial occupier. The gas consumed at the building is a single supply, as is the electricity, with both meters located within the commercial unit. In addition, the timeclock on the boiler and thermostat located in the entrance hall of the subject flat are non-functional. This

means that; first, for the Applicant to turn on and off her heating she has to exit her flat, walk along the pavement, enter the commercial premises to access the boiler. Second, the Applicant has no control over the amount of electricity and gas use that she is charged for. Third, the cost of gas, electricity and water are divided equally between the Applicant and the commercial premises. This is despite the likelihood that the commercial premises will be a heavier user of the utilities than the Applicant as a single occupant of a one bedroom flat. This was put to the Respondent landlord at the hearing and the Respondent's evidence was that this could only be resolved by the installation of a separate gas and electricity supply for the subject property. However, this was not financially viable. In the alternative the Respondent therefore intends to let the subject flat and the commercial property together as one unit.

24. In these circumstances The Tribunal were of the view that the current arrangement would significantly reduce the attractiveness of the subject property and therefore the rent which the property might reasonably be expected to let in the open market by a willing landlord. The Tribunal assessed this at 15% of the open market rent of £600 of the subject property without these difficulties. This would lead to a rent of £510 per calendar month.
25. Accordingly, the Tribunal determines the appropriate rental level to be £510 per calendar month commencing on 22 January 2025.

Signed:

T E Richards - Clarke

Dated: 23 April 2025