

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

Reference: RAC/0023/12/24

Property: 74 Ninian Park Road, Riverside, Cardiff, CF11 6JB

Applicant : Taff Housing (Landlord)

Respondent: Mr & Mrs Wallace (Tenants)

Committee: Tribunal Judge T Lloyd (Legal Chair)
Mr Hefin Lewis FRICS (Surveyor Member)

Decision of the Rent Assessment Committee

The Committee determines that the fair rent payable for the property is £144.00 per week. The new rent is payable from 2nd May 2025.

Reasons for the decision

Background

1. This matter concerns a reference from the Rent Officers Wales in respect of 74 Ninian Park Road, Riverside, Cardiff, CF11 6JB ("the Property").
2. The previous rent, registered on 7th June 2021, was £112.00 per week. The Landlord sought a revised rent of £167.27 per week. The Rent Officer Wales assessed the rent as £118.50 per week. This was appealed by the Landlord.
3. Accordingly, the matter was referred to this Committee by the Rent Officer on 17th December 2024.
4. By way of letters dated 18th of December 2024 both the Landlord and Tenant were invited to make written representations by e-mail before 12 noon on the 14th of January 2025. The Landlord responded by way of representations from Emily Shapely a housing assistant working within the Landlord's income team dealing with fair rent accounts confirming she works part time and will be represented by the fair rent accounts team manager Michael Thompson.
5. On behalf of the Landlord the following points are made:-

- (i) Upon receipt of the fair rent letter confirming the new fair rent the Landlord considered it seemed a low charge for a four bedroom 7 person house. The Landlord's case is that the new fair rent is based upon the previous property size when it was a three bedroom 5 person house. Furthermore, the Landlord's case is that it requested a rent of £167.27 per week based upon the rent benchmark for 2023-2024 in relation to a 4 bedroom 7 person house.
 - (ii) By way of further comparables the Landlord refers to having reviewed other properties within its ownership with the same number of bedrooms but with lower persons where the Rent Officer has previously granted higher rents of between £136 - £140 per week. In support copies of the other registered rents were attached to the statement.
 - (iii) In accordance with the above the Landlord is appealing the decision as it believes it has been based upon the old property size of a three bed five person house and the Rent Officer has not taken into account the increase in size of the property to a four bedroom 7 person house and the cost for the work to convert to the property for the Tenants due to the new housing needs to increase the property size.
 - (iv) The Landlord also confirmed it was content for the matter to be determined upon the papers.
6. No response was received from the Tenant.

The Inspection

- 7. An inspection of the property was carried out by the Surveyor Member Mr Hefin Lewis FRICS on the morning of 28 April 2025. Present was the applicant – Mr. Wallace. The Landlord was not present or represented.
- 8. The property is in an established residential area, approximately 1 mile from the city centre. It's comprises of a mid terrace house in a block of similar age and style houses.
- 9. Construction is of cavity brick walls under a pitched tile roof. A loft conversion was completed in 2023 and is timber framed construction, rendered externally under a mono pitched roof covered in EPDM.
- 10. The accommodation briefly comprises:

Ground Floor: hall, shower room with w/c, kitchen and sitting room.

First Floor: landing, three bedrooms, bathroom with w/c.

Second Floor: Bedroom 4 with ensuite shower and w/c.

Externally: Small enclosed forecourt and rear garden. Parking space for one vehicle located a short distance away on Smeaton street secured with parking bollards.

11. The property is in a condition consistent with its age and type of construction. No major or essential repairs are required.
12. Following the Rent Officer determining the fair rent by way of an e-mail dated the 16th of December 2024 from Sion Morgan Housing and Regeneration - Social Housing Regulator it is accepted on behalf of the Rent Office that the property was incorrectly valued based upon the original 3 bedroom configuration. A copy of the e-mail can be found at page 18 of the electronic bundle.
13. As the Tenant has not engaged in the process all we have before us by way of evidence from the parties is the Rent Officer's report. In relation to that in addition to the aforementioned concession we note that the assessment has been based upon 18 compatible properties. The average weekly rental value of this evidence amounts to £204.52.
14. The respondent by way of justification, identifies 5 comparables based upon historic registered rents. That in our view is not sufficient as evidence should be of comparable properties not records of previous historic registrations.
15. The Rent Officer came to a conclusion as follows:

Headline Rent	£161.10
Deduction for:	
Age, character, location	-£ 3.00
Absence of furniture	-£10.00
Scarcity at 20%	-£29.62
Fair Rent	£118.48 (£118.50)

The Law

16. When determining a fair rent the Committee, in accordance with Section 70 of the Rent Act 1977 ("the Act"):
 - a. has regard to all the circumstances (other than personal circumstances) including the age, location, and state of repair of the property;
 - b. disregards the effect on the rental value of the Property of (a) any relevant Tenant improvements; and (b) any disrepair or other defect

attributable to the Tenant or any predecessor in title under the regulated tenancy;

c. assumes (as required by Section 70(2) of the Act) that, whatever might be the case, the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent. In other words, the Committee must make certain assumptions regarding scarcity and demand for rental properties in the area.

17. In Spath Holme Ltd -v- Chairman of the Greater Manchester etc. Committee (1995) 28 HLR 107 and Curtis -v- London Rent Assessment Committee [1999] QB 92, the Court of Appeal emphasised that Section 70 of the Act means that ordinarily a fair rent is the market rent for the subject property discounted for “scarcity”; and that for the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate comparables (although these rents may need to be adjusted to reflect any relevant differences between these comparables and the subject property (e.g. furnished and unfurnished)).
18. Accordingly, once the market rent for the Property has been determined pursuant to Section 70 of the Act, that rent must then be adjusted, where necessary, for any differences between the relevant comparables and scarcity.
19. The Committee is also required to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 (the “Maximum Fair Rent Order”), which places a cap on the permissible amount of increase of fair rent between one registration and a subsequent registration. The cap is based upon the amount of increase in the Retail Prices Index between the dates of the respective registrations. The Maximum Fair Rent Order does not apply if there have been improvements to the property since last registration and the improvements would mean the rent would be increased by more than 15% as a consequence.
20. By virtue of Section 72 of the Act, the registration of the rent takes effect from the date upon which the Committee reached its decision. In this case, that date is 28 April 2025. The Committee is unable to backdate a new registered rent by virtue of this provision.

Committee’s Assessment of the Rent

21. The starting point in assessing rent under Section 70 of the Act is to establish the market rent for the Property. To that market rent, a number of adjustments are made to reflect the requirements of Section 70 of the Act.
22. The Landlord has not provided any evidence as to rent of similar properties in the locality but relies on the admission by the Rent Officer that the property was valued based upon its old configuration of being a three bedroom 5 person house rather than to the actual position of being a four bedroom 7 person house.

23. It is clear the Rent Officer has not calculated the rent following the improvements. If that had been done we are firmly of the view that given the cost of the improvements as evidenced at pages 15 and 16 of the electronic bundle all be it by way of an estimate in the sum of £72,312.56 the new rent would have exceeded the previous rent by at least 15%. As a consequence we have come to a conclusion given the improvement that the Maximum Fair Rent Order would not in this case apply.
24. The Committee has considered the market evidence provided by the Rent Officer and also considered its own evidence, utilising its own experience and expertise, and having regard to all the requirements of Section 70 of the Act, find that the headline rate rent for the Property before the relevant deductions (as outlined below) is £200.00 per week.
25. From this the Committee has deducted £5.00 per week in relation to location and character and £5.00 per week in relation to dated floor coverings (albeit partly soiled by the Tenants) and £10 for the absence of furniture resulting in a net rent before scarcity of £180 per week.
26. We agree with the Rent Officer that there is known scarcity in the locality and agree that 20% is appropriate and applicable in this instance.
27. As referred to in paragraph 22 above given the property has been improved by the Landlord increasing the accommodation from a three bedroom 5 person property to a four bedroom 7 person property in our opinion this would have increased rental value by more than 15%. As a consequence, the maximum fair rent order provisions do not apply.

Calculations

28. Applying the Committee's findings and conclusions, the Committee has determined the rent as follows:

Weekly Headline Rent (Furnished)		£200.00
<u>Less adjustments</u>		
Location / Character	£5.00	
Dated Floor Coverings (soiled by Tenants)	£5.00	
No Furniture	£10.00	
Adjusted Market Rent		£180.00
Deduction for scarcity at 20%		<u>£ 36.00</u>
Weekly Rent		£144.00

Fair Rent

£144.00

29. The rent is not subject to the capping provisions of the Maximum Fair Rent Order for the reasons as set out above.
30. For the purposes of Section 72 of the Act (as amended) the decision was made on 2nd May 2025.

Signed:

A handwritten signature in black ink, appearing to read 'T Lloyd', with a horizontal line underneath.

Tribunal Judge T Lloyd (*Chair*)

Dated 2nd May 2025.