

Y TRIBIWNYLS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE

Reference: RAC/0024/12/24

In the matter of 76 Church Street, Aberbargoed, Bargoed, Caerphilly, CF81 9FF

**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: Ms P. Tueje
Surveyor Member: Mr H. Lewis FRICS

Applicant: Mrs Kelly Marie Nicholls

Respondents: Mr Dennis John Nicholls
Mrs Dorothy Jean Nicholls

Inspection: 14th April 2025

Date and Venue of Hearing: 28th April 2025. Determination on the papers.

Decision

The Tribunal determines that the rent payable for the Property is £625.00 per calendar month.

Reasons

Background

1. The Applicant, Mrs K M Nicholls, occupies the property known as 76 Church Street, Aberbargoed, Bargoed, Caerphilly, CF81 9FF ("the Property"). The landlords are the Respondents, Mr D Nicholls and Mrs D Nicholls.
2. The Applicant entered into a joint tenancy of the Property with her late husband, Mr J Nicholls, which began in November 2011, at a rent of £400.00 per calendar month. Although there is some disagreement regarding the exact start date, the Respondents agree they formally granted the Applicant and her late husband a tenancy in November 2011.
3. The Respondents are Mr J Nicholls' parents.
4. Once the fixed term tenancy expired it became a statutory periodic tenancy.
5. The Renting Homes (Wales) Act 2016 ("the 2016 Act") was implemented on 1 December 2022. As a result of this legislation, the Applicant's statutory periodic tenancy was

automatically converted to a periodic standard contract, which is the basis upon which the Applicant occupies the Property.

The Application

6. On 24th October 2024, the Respondents served upon the Applicant a Notice of Variation of Rent in Form RHW12 pursuant to s.123(1) of the 2016 Act (“the Notice”).
7. The Notice proposed a new rent of £625.00 per calendar month with effect from 30th December 2024, in place of the existing rent of £400.00 per calendar month.
8. By way of an application dated 20th December 2024, the Applicant made an application for determination of the rent to the Tribunal in accordance with section 3 of the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022 (“the 2022 Regulations”).
9. On 31st December 2024, the Tribunal issued directions, which included provision for the Respondents to provide a written statement and supporting documents by 28th January 2025, and the Applicant to provide a written statement and supporting documents by 25th February 2025. Both parties have submitted written evidence further to those directions.
10. The Applicant’s statement is dated 20th January 2025. Insofar as is relevant to the Application, the Applicant states the Property is a 3-bedroom mid-terrace house comprising living room, bathroom and kitchen on the ground floor, three bedrooms on the first floor, plus use of a rear garden.
11. The Applicant also states the Index of Private Housing Rental Increase published by the Office for National Statistics in July 2024 showed an average rent increase in Wales in the year to June 2024 of 8.2%. It’s stated the rent increase proposed by the Respondents exceeds that level, and that the rent does not reflect the local rental market
12. In her witness statement the Applicant states that she and her late husband spent £28,000 on improvements to the Property, including installing a new boiler, replacing all windows and the back door, and fitting a new kitchen in 2011.
13. The Respondents rely upon a joint statement dated 24th January 2025. They point out that there are two downstairs reception rooms which previously had partition doors, which have since been removed. They state their son asked whether he could replace the first floor windows and rear entrance door in around 2012, and replace the ground floor windows and front entrance door in 2019. They state that although the windows and doors were in good condition, they agreed to their son’s request, providing he arranged and paid for these works himself. They accept when the Applicant and their son’s tenancy began in 2011 the kitchen was basic, but they maintain it was serviceable, and they only became aware in around 2012 that their son had replaced the kitchen units. They also state the boiler was inspected as part of the annual gas safety check, and no problems were reported to them, nor were they aware until afterwards, that the boiler had been replaced. They believe this was paid for through a Government-funded scheme, and so was done at no cost to the Applicant.

14. The Respondents point out that the Applicant has benefited from the improvements carried out to the Property in the period that has elapsed since the work was carried out.
15. They also state the Applicant has denied them access to the Property to carry out certain works or repairs, and they have provided various e-mails and text messages from 5th December 2024 to 19th January 2025 when they have requested access to the Property. These exchanges include the Applicant's response where she has explained why it is not convenient for them to visit the Property as requested.
16. The Tribunal's directions directed that the Respondent provide their evidence before the Applicant. In the event, the Applicant's evidence was provided first, and she did not submit any further evidence. We will therefore proceed on the basis that the Applicant does not dispute those matters dealt within the Respondents' witness statements, which she has not dealt with in her evidence.

The Inspection

17. The Surveyor Member, Mr Lewis FRICS, inspected the Property on 14th April 2025. The Applicant and her partner were present at the time of the inspection; also present on behalf of the Respondent was Mr Nicholas Price, the Respondents' son-in-law.
18. The Property is a 3 bedroom mid terrace house leading directly onto the street pavement. Traditionally built of rendered masonry, with a pitched tiled roof, and PVCu windows throughout. The bathroom is in a rear single storey extension constructed of rendered masonry under a metal profile roof. To the rear is a yard and a small lawned area, there is a timber store. There is also a large parking area where there used to be a garage which was demolished around 40 years ago.
19. Structurally, the Property appears to be in a condition consistent with its age and type of construction. It benefits from mains electricity, gas, water and drainage, and has a smoke alarm. The accommodation is arranged over two floors and briefly comprises:
 - 19.1 Ground floor: entrance hall, and open plan living and dining area, an inner hall, kitchen, bathroom with a shower over the bath and a WC.
 - 19.2 First Floor: Three bedrooms, Wall-mounted Gas fired Valiant boiler to the rear bedroom.
 - 19.3 The kitchen and bathroom are relatively modern.
20. The Applicant is in the process of moving out of the Property, therefore there were personal belongings strewn everywhere.

Determination

21. The Respondent relied on the following rental information

Estate Agent	Rent valuation Per Calander Month	Date
APEX Estate Agents	£650.00 to £750.00	17 th Oct 2024
Flying Keys Estate Agent	£600.00	18 th Oct 2024
LUCAS Estate Agents	£575.00 to £600.00	17 th Oct 2024
New Horizons Estate Agents	£800.00 to £850.00	18 th Oct 2024
Average rental valuation using the lower valuation of each estate agent	£656.25	
Average rental valuation using the higher valuation of each estate agent	£700.00	

The property rental increase from £400 to £625 per Calander month as advised to Kelly Marie Nicholls via form RHW12 dated 24th October 2024. Has been calculated by taking the average of the lower rental valuation advised by each estate agent and applying a reduction of approximately 4.75% (£31.25) which considers the current property condition.

Calculation: £650.00 + £600.00 + £575.00 + £800.00 = £2,650.00

$£2,650.00 / 4 = £656.25$

$£656.25 - £31.25 = \mathbf{£625.00}$

22. The Applicant did not provide evidence of any comparable rents, but as stated, she asserts the proposed increase is significantly higher than the 8.2% average rent increase cited by the Office for National Statistics in the Index of Private Housing Rental Increase for the year to June 2024.
23. The issue for the Tribunal is to determine the rent at which the Property might reasonably be expected to be let in the open market by a willing landlord under an occupation contract of the same type as the converted contract in this case, and having regard to the assumptions set out in regulation 6 of the 2022 Regulations. Those assumptions include the following:
- (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 tenant, 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 contract-holder to comply with any terms of the relevant converted contract or the tenancy or licence which existed immediately before the appointed day has no effect on the rent,*
24. Based on the Tribunal's experience and expertise, the Tribunal considers the estate agents' valuations obtained by the Respondent are in line with local rental market.
25. Therefore, in light of the observations made during the inspection, the parties' evidence, including the Respondents' valuation, and taking into account the relevant provisions of regulation 6, the Tribunal makes the following determination.

Headline Rent		£675 PCM
New Central Heating boiler	£20	
New Kitchen	£10	
New windows and doors	£20	
Disregard tenant disrepair	£0	£ 50
RENTAL VALUE		£625 PCM

26. The Tribunal determined the headline rent of £675 per calendar month based on the approximate average of the estate agents' lower and higher average valuations (see the table at paragraph 22 above), which, as stated, we consider is in line with current market rental values. The Tribunal notes the Applicant argues the proposed rent does not reflect local rent levels and that the increase exceeds the Index of Private Housing Rental

Increase which indicates an average increase in rent of 8.2%. However, we consider the percentage increase reflects the low rent previously payable, which has not been increased since 2011. The previous rent perhaps reflects that the Respondents' son was previously one of the joint contract holders. Furthermore, the Applicant has not provided any comparable evidence showing that, irrespective of the percentage increase, the proposed rent exceeds current market values.

27. The Tribunal has made adjustments to reflect the improvements carried out by the Applicant and her late husband, and the reasons for these adjustments are set out below.
28. It is common ground that the boiler was replaced, and the condition of the previous boiler is in issue between the parties, the Tribunal considers a deduction is appropriate. That is because, irrespective of the condition of the previous boiler, the replacement boiler is newer. Furthermore, on the balance of probabilities, the replacement boiler is likely to be more thermally and economically efficient.
29. The Respondents point out that the cost of the boiler was met through a Government-backed scheme, meaning it was replaced at no cost to the Applicant. However, even if that is the case, in our judgment that is not a relevant factor. Regulation 6(c) refers to improvements "carried out" by the contract holder, and to the extent that the Applicant and her late husband arranged the works, this requirement is met. Regulation 6(c)'s application is not expressly limited to improvements paid for by the contract holder.
30. Similarly, as regards the replacement windows and doors, an adjustment is made to reflect this improvement. The Respondents maintain the condition of the previous double glazed windows was satisfactory; it's unclear whether the Applicant accepts or disputes this. But in any event, the replacement windows, particularly the ground floor windows which were replaced in 2019, are newer and on the balance of probabilities are likely to be more thermally efficient than the previous windows. Therefore, we consider a deduction is justified to reflect this improvement.
31. Furthermore, we consider it is more likely than not that the combined effect of the replacement doors, windows and the boiler, with their improved thermal efficiency, is likely to be reflected in the Property's energy performance.
32. We also consider it is appropriate to make an adjustment to reflect the replacement kitchen fitted in around 2011/2012. The parties agree that the previous kitchen was basic with free standing kitchen units. While the Respondents maintain the previous kitchen was serviceable the replacement kitchen is more modern, and is likely to be more in keeping with current standards.
33. As regards all of the improvements, the Respondents argue that the Applicant and her late husband have had the benefit of these improvements, which the Tribunal accepts is correct. However, in the Tribunal's judgment a deduction to reflect the improvement is still appropriate, otherwise the contract holder will not only carry out the improvements which benefit the Respondent's Property, but without a deduction, the contract holder would also bear the inflationary effect of the improvements if they are reflected in the rent payable by them.

34. No deduction is made to reflect the internal condition or disrepair, due to the Applicant's neglect. It is accepted that the applicant is in the process of packing and therefore some disruption is inevitable. As stated, the main fabric of the property appears satisfactory. The Applicant's neglect has had no impact on the Property structurally, and the effects of the neglect are not permanent. Furthermore, given the length of occupation, a degree of wear and tear and arguably some non-structural disrepair is unsurprising.
35. In conclusion, using its judgment, experience and expertise and based on the evidence presented by the parties, therefore determines the appropriate rental level to be £625 per calendar month.

Dated 30th April 2025

P. Tueje
Tribunal Judge