

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL

Reference: RAC/0027/03/26

In the Matter of 33 Daffodil Court, Ty Canol, Cwmbran, NP44 6JG

In the matter of an Application under the Renting Homes (Wales) Act 2016
The Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations
2022.

APPLICANT Susan Davies

RESPONDENT Richard Hayward

ORDER

Background and the Law

1. On the 4th March 2026 an application was made to the Tribunal sitting as a Rent Assessment Committee in relation to 33 Daffodil Court, Ty-Canol, Cwmbran Gwent NP44 6JG (the Property) in respect of a notice of variation of rent for the Property in Form RHW12 dated 2nd March 2026 served on the Applicant by the Respondent.
2. The Property is occupied by the Applicant for the purposes of the Renting Homes (Wales) Act 2016 (the Act).
3. The Property was let to the Applicant and Mr MA Davies on a fixed term assured shorthold tenancy under the Housing Act 1988 ("Tenancy Agreement") dated 29th February 2008 for a term of five years from the 29th February 2008 at an initial rent of £680 per month payable in advance.
4. The Tenancy Agreement provides:
"1.2 The Property – the house known as 33 Daffodil Court, Ty-Canol, Cwmbran NP44 6JG (registered at Land Registry with title number WA778210.)"

“2.1.6 the Term – means the period for which the Property is let under this agreement as specified in the Particulars, including any period of holding over or extension or continuance of that period by statute or common law”

“14 – The Tenant must not damage, injure, alter or add to the Property or change its use and must not commit waste”

5. The Act came into force on the 1st December 2022. This means that when the Act came into force the Applicant was considered to be holding over on a statutory periodic tenancy and has converted status under the Act as a contract -holder.
6. In a copy of Defence to Claim No: M00NP582 relating to the Property and dated 27/01/2026 the Applicant at paragraph 12 of the Defence *“accepts that an Occupation Contract was served upon her. However, it is denied that the contract is adequate. The contract is not signed by either party or dated. Pursuant to s.31 Renting Homes (Wales) Act 2016, no written statement of the terms of the contract was served on the [Applicant] as required by s.31”* and at paragraph 13 of the Defence *“It is also noted that the contract is a Periodic Standard Occupation Contract and not a Periodic Converted Contract. Therefore, the incorrect contract was provided”*.
7. In the Statement of Truth dated 1st May 2026 the Applicant notes at paragraph 2 that *“Mr Hayward provided a converted periodic standard contract under Renting Homes (Wales) Act 2016. However, this was not signed by myself. This was not because I refused, but rather, I had not received a copy”* In the application to the Tribunal in form RAC 4 dated 4th March 2026 the Applicant states at paragraph 9 *“I don’t have a contract off Mr Haywood”*
8. In the Statement of Truth dated 31st March 2026 the Respondent notes at Paragraph 5 *“When the Law Changed we were told we had to provide a Written Statement of a Periodic Standard Occupation Contract. I attach an unsigned copy of the document sent. Mrs Davies refused to sign the document. I signed the Contract on the 31st May 2023 and informed Rent Smart Wales who issued a Registration Number and our Licence Number. Under that Agreement the rent was £480 per month”*

9. There appears to be some confusion as to whether the Applicant occupies under a converted or under a new standard contract. A new standard contract created after 1 December 2022 has no statutory route for the contract-holder to challenge a rent increase. A contract that converted from a pre-1 December 2022 assured shorthold tenancy retains a residual right to refer the increase to a tribunal, using Form RAC4.
10. In the circumstances described above it is accepted by the tribunal that the Applicant occupies the Property under a periodic standard converted contract for the purposes of the Act.
11. Pursuant to s.104(1) and 123(1) of the Act the Landlord may vary the rent payable by *giving* the contract-holder a notice setting out a new rent to take effect on the date specified in the notice. A Landlord may serve a valid Form RHW12 even if a written statement of terms has not been served on the contract-holder occupying under a converted contract. A landlord's failure to provide a written statement of the converted occupation contract does not, without more, prevent the service of a notice of variation of rent in Form RHW12. Schedule 12 paragraph 14(2)(a) preserves the ability to vary rent before the written statement is provided. The validity of the notice therefore falls to be determined by reference to the requirements of sections 104 or 123 of the Act and not by reference to whether a written statement has been supplied or not.
12. The Respondent served a notice in Form RHW12 dated 2nd March 2026 on the Applicant stating that the new rent shall be £960 per month from the 8th May 2026 in place of the existing rent of £480 per month.
13. Form RHW12 is the correct form for use in a variation of rent and on its face provides two months' notice of the proposed increase in rent as required by the Act. The notice period is calculated from the day the notice is *given* pursuant to s.123(1) of the Act. Section 123(2) of the Act provides '*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*'. The Tribunal finds that this is a valid notice. A contract-holder under a converted contract has a right to challenge a rent increase by applying to the Rent Assessment

Committee using application Form RAC4. The Tribunal has been supplied with application in Form RAC4 signed by the Applicant dated the 4th March 2026.

14. The Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022 (the Regulations) provide at Regulation 3(2) that the application to the Rent Assessment Committee must be made in the prescribed form and within two months following the receipt of the notice in Form RHW12. For ease of reference, we recite the relevant extracts 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

15. The tribunal find that the requirement relating to prescribed form and notice period is satisfied.

16. Regulation 4 of the Regulations provides that a Rent Assessment Committee must determine all applications made under Regulation 3 in accordance with the assumptions set out in Regulation 6.

17. Regulation 6 of the Regulations provides that the 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 converted contract as that to which the notice relates.

18. Regulation 6 provides for certain assumptions to be made when determining the new level of rent:

18.1 The converted contract began on the date specified in the Notice. Pursuant to Regulation 6(a) of the Regulations the Tribunal is required to assume, for the purpose of determining the market rent, that the occupation contract began on 8 May 2026, being the date specified in the RHW12 notice as the date on which the proposed new rent would take effect.

18.2 The granting of a contract to a sitting tenant has no effect on the rent.

18.3 Any increase in the value of the dwelling attributable to a relevant improvement carried out by the relevant contract holder has no effect on the rent if the improvement was carried out; otherwise than in pursuance of an obligation to the immediate landlord, or was pursuant to an obligation to the immediate landlord which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement. Regulation 6(c) refers to improvements carried out by a person who "*at the time it was carried out*" was the relevant contract-holder. The wording therefore directs attention to the status of the occupier when the works were undertaken, not when the rent determination is made.

18.4 Any reduction in the value of the dwelling attributable to a failure by the contract holder to comply with any terms of the converted contract has no effect on the rent.

18.5 Council Tax paid by the landlord on the Property 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

18.6 The landlord is not paying rates in respect of the Property.

19. There is no equivalent provision in the Regulations to the Housing Act 1988 section 14(7) allowing rent to be payable from the date of the Tribunal's decision owing to undue hardship. Regulation 5 of the Regulations provide: "*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*".

20. Therefore, unless the Applicant and the Respondent agree otherwise the level of rent determined by the tribunal will take place from the 8th May 2026.

Inspection

21. The Property was inspected during the morning of Monday 13th July 2026 by all members of the tribunal. The Applicant was present at the inspection, but the Respondent was not present.

The Property

22. The Property is believed to have been constructed in 1982 as a two-bed, one reception room bungalow without a garage.

23. The Applicant and her then husband acquired the freehold of the Property in in 1987.

24. The Applicant and her then husband added an extension to the Property in 1994/1995 to create a third bedroom and a further living area.

25. The Applicant and her then husband built a garage on the Property at the rear of the house in 2000.

26. This resulted in a three-bed, 1 reception room house with a garage.

27. Externally there are lawned gardens to the front of the Property and patio area to the rear of the house with raised decking before the garage is reached. The patio and decking were also installed by the Applicant and her then husband.

General Condition

28. The kitchen units and associated furniture are in poor condition

29. The original windows of the Property are in a poor state of repair. Duct tape is used around frames. There is evidence of rotting wood and decay. The contract holder has installed two new windows: 1. the back window of the living room 2. The first-floor front

window of the attic bedroom (the extension). The remainder of the windows are original. There is no double glazing.

30. The fascias at the Property and the dormer structures are in a poor state of repair.
31. The attic bedroom built as part of the extension has an uneven floor with creaking joists. Leaks have occurred from bath pipes bursting.
32. The house suffers from damp/condensation with resultant mould impacting upon adjacent furniture and decorations.
33. The loft has been the subject of an extensive infestation of rats. Parts of the loft remain without insulation following pest control treatment.
34. No CO2 detector/alarms have been installed by the Respondent, these have been supplied and installed by the Applicant.
35. Three smoke alarms have been installed by the Respondent but one attached to the ceiling in the inner hallway does not operate.
36. External decking is in a poor state of repair and condition.
37. Breaches of Regulation 6(6) of the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 are alleged in the Applicants Statement of Truth dated 1st May 2026 at paragraph 13 onwards.
38. The tribunal notes that neither section 104 nor section 123 of the Renting Homes (Wales) Act 2016 imposes compliance with the Fitness for Human Habitation Regulations as a pre-condition to the service of a notice varying rent.
39. However, a dwelling which is deemed by statute to be unfit for human habitation cannot reasonably be expected to command the same market rent as a comparable dwelling that complies with the landlord's fitness obligations.

Tenant Improvements

40. The tribunal notes that in any event Regulation 6 provides *any increase in the value of the dwelling attributable to a relevant improvement carried out by the tenant/licensee/contract holder has no effect on the rent if the improvement was carried out; otherwise than in pursuance of an obligation to the immediate landlord, OR was pursuant to an obligation to the immediate landlord which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement.*
41. The tribunal has considered Regulation 6(c) of the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022, which requires any increase in the value of the dwelling attributable to certain improvements carried out by a tenant, licensee or contract-holder to be disregarded when determining the market rent.
42. The evidence before the tribunal establishes that the improvements relied upon by the Applicant i.e. the creation a three-bed bungalow with garage from a two-bed bungalow without garage were carried out before the creation of the assured shorthold tenancy in February 2008 and at a time when the Applicant was an owner of the freehold interest in the property. The Tribunal therefore finds that the improvements were not carried out by the Applicant in the capacity of tenant, licensee or contract-holder.
43. In those circumstances, Regulation 6(c) does not apply to those works. The tribunal has therefore included any enhancement in the rental value of the dwelling attributable to those improvements when assessing the rent at which the dwelling might reasonably be expected to be let on the open market. In other words, Regulation 6(c) does not require the enhancement in rental value attributable to those improvements to be disregarded.
44. Only improvements made by the contract holder in that capacity can be disregarded i.e. improvements made after February 2008.

45. Therefore, the tribunal has noted two new windows the contract holder has installed and fencing to the side of the Property and the installation of a shower unit. The Statement of Truth dated 1st May 2026 lists claimed improvements at paragraph 11.

Hearing and comparable evidence

46. At the hearing the Applicant was represented by Ms Carys Jones of Shelter Cymru. Mr Kevin Hill, described as an internal banker, was in attendance with the Respondent and acted as an observer.

47. The Directions Order dated the 9th March 2026 required that the Respondent and the Applicant provide details of any lettings of similar properties upon which they wish to rely, including what furnishings are provided and who is responsible for repairs and decoration supported by confirmation from a letting agent that the actual rent is payable as opposed to a comparable based upon letting particulars.

48. No such comparable evidence or details have been provided to the tribunal.

49. The Respondent has supplied an email from Cole Coleson at Number One Real Estate dated 30th March 2026 stating that *“In terms of rental potential, the property is likely to achieve approximately 1,200 per calendar month, which is in line with similar properties currently available and recently let within the area”*. The tribunal find that this does not satisfy the requirements of the Directions Order.

50. At the hearing neither party was in a position to provide comparable evidence satisfying the requirements of the Directions Order.

51. At the hearing both Applicant and the Respondent confirmed that the original tenancy agreement was granted in 2008 and that the Property at the time of letting consisted of a three-bedroom dormer bungalow with a garage.

52. At the hearing the Applicant confirmed that the Property now had valid certificates in respect of electrical and gas safety. Therefore, breaches of Regulation 6(6) of the Renting Homes (Fitness for Human Habitation)(Wales) Regulations 2022 as

alleged in the Applicants Statement of Truth dated 1st May 2026 at paragraph 13 onwards in relation to these matters is no longer an issue.

53. The Tribunal particularised each item of disrepair in relation to the Property that had been apparent on inspection. The Applicant confirmed the tribunal's findings on this matter. The Respondent was unable to comment on the items of disrepair particularised by the tribunal as he had not inspected the Property in advance of the hearing.

54. The Respondent claimed that from accounting records some £12,000 has been spent by the Respondent on the Property. When questioned by the tribunal the Respondent described the money being spent on general maintenance and repairs but on further investigation by the tribunal the Respondent was unable to particularise the nature of the spend.

55. The Respondent was aware of the rat infestation at the Property and had sent general workmen to try and remedy the problem. They were unable to do so. When questioned by the tribunal the Respondent confirmed that rodent infestation specialists had not been engaged by the Respondent to address the issue. The Applicant confirmed to the tribunal that the rat infestation had now been brought under control due to her intervention and spend. So far as the Applicant is aware the house is currently free from the ingress of rats.

Decision

56. Where an application is made under the 2022 Regulations, Regulation 6 requires the tribunal sitting as a Rent Assessment Committee to determine the open market rent under an occupation contract of the same type. The Regulation contains an exhaustive list of assumptions to be made.

57. The tribunal considers using the tribunals expert knowledge that a property in good condition similar to the Property in the same location might reasonably be expected to be let in the open market at a rent of £1200 per calendar month.

58. However, the tribunal considers it reasonable to make the following deductions in accordance with the Regulations having regard to the condition of the Property and qualifying tenant improvements as evidenced at inspection and the hearing.

			Rent P.C.M.	Rent P.W.
	Deductions (£) per week	Deductions (£) per month	£1,200.00	£276.92
DISREPAIR				
External fabric Disrepair	£15.00	£65.00		
No Double Glazing	£10.00	£43.33		
CO2 alarm missing	£10.00	£43.33		
Limited Smoke Alarms	£5.00	£21.67		
Kitchen Units	£10.00	£43.33		
Damp/Timber Decay	£10.00	£43.33		
Carpets/flooring	£5.00	£21.67		
Decorations	£5.00	£21.67		
Decking (Very poor)	£15.00	£65.00		
Rat Infestation	£10.00	£43.33		
TENANT IMPROVEMENTS				
Replacement windows	£10.00	£43.33		
Garden Fencing	£5.00	£21.67		
Shower Refurbishment	£15.00	£65.00		
			£541.67	£125.00
Revised Rental Value			£658.33	£151.92

59. For the purpose of determining the market rent in accordance with the Regulations the tribunal sitting as a Rent Assessment Committee has determined that the rent for the Property is **£660 (six hundred and sixty pounds) per calendar month**.

60. The level of rent determined by the tribunal will take effect from 8th May 2026.

Dated 23.7.2026

Michael Draper Tribunal Chair

Hefin Lewis Tribunal member (Surveyor)

Dr Angie Ash Tribunal member (Lay)