

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE

Reference: RAC/0020/11/23

In the matter of an application for the registration of a rent for Flat 2, 11 Royal Buildings, Stanwell Road, Penarth, CF64 3ED, in accordance with the Rent Act 1977

APPLICANT LANDLORD: Topaz Property Ltd (represented by its director, Mr A. Jones)

RESPONDENT TENANT: Mrs J. Hart

Committee: Mr M. Hunt (Chairman)
Mr R. Baynham (Surveyor)

Date of determination: 13 March 2024

DECISION

The rent to be registered is set at £123.50 per week with effect from 13 March 2024.

REASONS FOR DECISION

The Facts and Issue

1. On 13 August 2019, the rent for Flat 2, 11 Royal Buildings, Stanwell Road, Penarth, CF64 3ED (the "Property") was registered at £105.50 per week by the Rent Officers Wales. In or around May 2023, the Landlord applied to increase the rent to £126 per week. The Rent Officer registered a new rent of £112 per week on 15 September 2023. The Landlord objected and the Rent Officer duly referred the matter to this Rent Assessment Committee.
2. The Committee's surveyor undertook an inspection of the Property on the morning of 13 March 2024. The Tenant and Mr. A. Jones, who is a director of the Landlord – Topaz Property Limited – were present. The Committee's surveyor reported as follows.

3. The entire development at Royal Buildings was constructed around 1880 and consists of a terrace of 12 separate units with the ground floors being occupied by commercial tenants and the upper floors consisting of residential units. The entire development has solid brick exterior walls, which have been cement rendered to the 2nd-floor elevation. The commercial premises on the ground floor have a flat roof; the remainder has a pitched slate roof.
4. On the ground floor of 11 Royal Buildings there is a commercial unit with a communal door to the side providing access to 3 flats. There is an entrance hall on the ground floor and stairs that lead to the 3 residential units. The Property is on the second floor.
5. The Property's accommodation comprises a small entrance hall, a living room with a fitted gas fire (provided by the Tenant), 2 double bedrooms (neither of which appeared to have a functioning heating appliance), a kitchen with a door leading to a separate w/c, and a bathroom with bath and wash hand basin. The layout of the Property is unusual in two main respects. Firstly, the occupier must pass through the bathroom to enter the main bedroom. Secondly, the w/c is directly off the kitchen.
6. The Property does not have the benefit of a garden or outdoor space, central heating, lift, or double glazing to the front elevation. The windows to the front elevation were serviceable but aged and would benefit from repair and/or upgrading.
7. Due to the passage of time since the original rental agreement, details of the rental history and respective responsibilities between Landlord and Tenant were uncertain. What was clear and agreed was that all the furnishings, furniture and some fittings had been provided by the Tenant.
8. The Committee's surveyor was informed that no service charge is levied on the Tenant; the cost of cleaning and maintaining the communal staircase and premises generally was borne by the Landlord.
9. The Property is situated in a popular area of Penarth within walking distance of most amenities and has a bus stop and railway station within 100 yards that provides easy access to Cardiff where a large range of facilities are available.
10. The Property has been maintained by the Tenant and is in a reasonable condition.
11. The issue for this Committee was to determine a fair rent for the Property, having regard to all the circumstances (apart from personal circumstances). Section 70 of the Rent Act 1977 (the "Act") lists those circumstances to which particular regard should be had. Those of relevance to this application are the age, character, locality and state of repair of the Property. The Committee must disregard any improvements brought about by the Tenant, as well as the impact on the rent of any scarcity of similar properties, let on similar terms, in the locality.
12. Neither the Landlord nor the Tenant provided any written evidence of rents for similar properties, let under similar terms, in the locality. However, at the hearing before this Committee, Mr Jones on behalf of the Landlord stated that he had recently let 2 similar properties in the same building for £900 per month (equating to around £208 per week). The first was in neighbouring premises at 9 Royal Buildings, consisting of a 2-bed flat comparable in all respects to the Property, being of similar size and character, albeit benefitting from central heating. The second was the flat directly above the Property, which was a 1-bed flat without central heating but refurbished to a more modern

specification to the Property and let furnished. Mr Jones explained to the Committee that he had a professional background in rental property. He was seeking a rent of £126 per week, accepting that the rather peculiar layout of the Property would likely have a negative impact on rental value (although not significant) and that rental prices had increased markedly over the previous 2 years or so due to significant lack of supply, perhaps by in the region of 15%.

13. The Rent Officer appears to have determined the rent starting from the lowest registered rent for a 2-bedroom flat in the locality and reducing this on account of the considerations outlined in s.70 of the Act. The Rent Officer considered that scarcity should result in a reduction of 18% from the market rent.

Determination

14. The Committee considered that there was little persuasive evidence of the market rent for the Property. The excerpt of the rent register provided by the Rent Officer lacked any detail. Mr Jones' oral evidence included a flat adjacent to the Property, but of a significantly different type and character (only 1 bedroom and modernised). Few objective details were provided of the other flat presented said to attract a rent of around £208 per week. The Committee noted that the Landlord was only seeking an increase in the Property's rent to £126 per week, that the other flat benefitted from central heating and that a different balance of responsibilities between tenant and landlord was likely. In light of the lack of persuasive rental evidence, the Committee therefore relied heavily on its own experience and expertise.
15. The Committee assessed the market rent for this type of flat, before certain adjustments explained below, to be £725 per month, equating to £167.31 per week. In relation to the Property, the Committee determined that the following deductions would be appropriate: £5 per week on account of the absence of central heating, £5 per week on account of the carpets and furnishings being provided by the Tenant, £2 per week on account of the lack of double glazing and the general state of the front-facing windows and £5 per week on account of the peculiar layout, which would render the Property less attractive than otherwise comparable flats. A fair market rent for the Property would therefore be £150.31 per week. However, this is before taking into account the current, and quite pronounced, scarcity of this type of property in the locality. The Rent Officer determined that a deduction of 18% would be a fair reflection of the proportion of rent due to the relative scarcity of this type of property. Mr Jones readily accepted that rental properties of this type (indeed of all kinds) in this locality are particularly scarce at the present time and have resulted in significantly increased rental values in recent years. The Committee's own experience mirrored this and it found 18% to be the correct deduction. Accordingly, a fair rent for the Property was determined to be £123.25 per week, rounded up to £123.50, which is the rent to be registered for the Property.

16. The Committee must also have regard to the Rent Acts (Maximum Fair Rent) Order 1999, which places a cap on the permissible rental increase (based on the difference in the Retail Prices Index + 5% in this case). As the registered rent was below the capped increase (£142 per week), the Order has no effect on the Committee's decision.

Dated this 30th day of April 2024

M. Hunt
Tribunal Judge

**Notice of the Rent Assessment
Committee Decision**

File Reference Number:

RAC/0020/11/23

Address of Premises

Flat 2, 11 Royal Buildings, Stanwell Road, Penarth, CF64
3ED

The Committee members were

Mr M Hunt
Mr R Baynham

(1) The Committee has decided that the rent for the
above premises is:

The new rent will be entered by the rent officer in the
rent register.

£ 123.50 per week

(This amount excludes council tax and water rates
but includes any amounts entered in boxes 3-5
below.)

(2) The effective date is:
The new rent will apply from this date.

13 March 2024

(3) The rent is not to be registered as variable.

(4) The amount for services is:

N/A

(5) The amount for fuel charges (excluding heating and
lighting of common parts) not counting for rent
allowance is:

N/A

(6) The rent is not exempt from the maximum fair rent because of repairs or improvements carried out by the
landlord.

(7) Details (other than rent) where different from Rent Register entry: N/A

Date of decision: 13 March 2024

Chairman

Mr M Hunt

If the fair rent the Committee determined was higher than the maximum fair rent, the limit on fair rent increases may apply. If this is the case, the uncapped fair rent the committee determined is shown in box 8. This is shown for information purposes only and does not affect the rent payable.

(8) The uncapped fair rent was: N/A