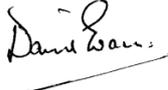


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0035/03/14 Ysgol Street
Address of Premises 41 Ysgol Street Port Tennant Swansea SA1 8LF	The Committee members were D. J. Evans LLB LLM R. E. Thomas MRICS	
(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.	£77.00 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.	20 th June 2014	
(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: <u>20th June 2014</u>	Chairman: 	
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: £81.60		

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL

DECISION OF THE RENT ASSESSMENT COMMITTEE
(RENT ACT 1977)

Reference: RAC/0035/03/14 Ysgol Street
Property: 41 Ysgol Street, Port Tennant, Swansea, SA1 8LF
Landlord: Family Housing Association (Wales) Ltd
Tenant: Mr C Davies
Committee: D J Evans LLB LLM
R E Thomas MRICS

INTRODUCTION

1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 20th June 2014. We had before us a reference from the Rent Officer in respect of 41 Ysgol Street, Port Tennant, Swansea SA1 8LF (the Property). The Rent Officer had registered a fair rent of £76.50 per week on the 21st February 2014. The Tenant, Mr C Davies, has objected to the Rent Officer's decision and the Rent Officer has referred the matter to us. The Landlord, Family Housing Association (Wales) Ltd, had applied for the rent to be increased to £90.96 pw.

2 Before considering the matter, we visited the Property. The Tenant, Mr C Davies, was present and we were able to inspect both internally and externally. The Landlord did not attend.

INSPECTION

3 The Property is a three bedroom mid terrace house located in a residential area of Swansea known as Port Tennant. It was constructed approximately 100 years ago as workers' accommodation for people employed in local industries. It has solid walls, rendered, uPVC doors and windows and a tiled roof. There is double glazing and central heating throughout. The Landlord has provided flooring in the kitchen and bathroom, but the remainder of the floor coverings and the curtains and blinds have been provided by the Tenant. The Property has a small front garden and a modest south-west facing rear garden. The houses in the immediate terrace are similar in style. The Property is located close to Swansea City centre with its shopping and transport connections. There are some locally based facilities for shopping and schools.

4 Downstairs, the Property has a front living room with a bay window, a middle room, and a large well fitted kitchen with modern units. The Tenant has provided the white goods. Upstairs, there are two double bedrooms and a single bedroom. The small, basic bathroom, also upstairs, has been created by reducing the size of the front and middle bedrooms. It is part tiled and the Landlord has provided the shower over the bath. The Tenant pointed out an area of staining at a high level in the front bedroom which he considered to be caused by damp but in our view is probably caused by condensation, and the poor condition of the old plasterwork on the walls of the hall and landing.

REPRESENTATIONS

5 In his representations dated the 21st March 2014, the Tenant states that the increase is well above the rate of inflation. This year he has received his first pay rise for 3 years - 2%. In previous years increases have been between £2.50 pw and £3.50 pw. The proposed increase will cause him and his family severe financial problems. His letter of the 6th March to the Rent Officer and the schedule of his finances, which he attached to it, explains his circumstances in more detail.

6 The Landlord argues, in its letter of the 26th March 2014 addressed to the Tribunal, that it had requested an increase of the rent to £90.96 pw, but the increase allowed was only to a rent of £76.50 pw which was a shortfall of £14.46 pw equating to £751.92 pa plus any additional increase for the year 2015/2016. The proposed increase was consistent with the rents of comparable properties in the area and in line with the benchmark rents for assured properties for the current year. There would be a large disparity between the Rent Officer's rent and the rents of similar properties in this street. We were not provided with any comparables by either party. However, the Tenant referred us to a privately rented three bedroom property a few doors away from the Property with a "through room" and the bathroom downstairs. He told us that this was rented at £450 pcm. However, we cannot fairly consider this as the Landlord was not present and therefore unable to comment upon it.

CONSIDERATION

7 We are required to determine a fair rent in accordance with section 70 of the Rent Act 1977 (the Act) and the principles laid down in the case law. We are also required to ignore the personal circumstances of the parties. We cannot therefore take into account the Tenant's financial situation. Also, the fact that the rent is lower than the benchmark rent and its potential effect on the Landlord's finances are not matters which we are able to take into consideration.

MARKET RENT

8 Neither party had provided us with any comparables other than that referred to by the Tenant and mentioned in paragraph 6. The list of rentals provided by the Rent Officer is none too specific, and gives no more than an indication of rents in the general area - between £300 pcm and £575 pcm. We are, therefore, entitled to rely upon our own knowledge and experience of the property market. The Rent Officer's figure is £109.85 pw less £5.00 pw for age, character, location and repair but with an additional £2 pw for the new kitchen. This gives a figure of £106.85. That is close to our own assessment. In our view the market rent for the Property would be £105.00 pw

ADJUSTMENTS

9 The Tenant has provided the kitchen appliances, most of the floor coverings as well as the curtains and blinds. Most tenants would expect these to be supplied by the Landlord when taking on a tenancy. Such matters, as well as the basic bathroom, are bound to impact upon the attitude of prospective tenants when viewing the Property. They would in our view have a depreciating effect on the rental value. We therefore make the following adjustments:

For the provision of a basic bathroom	£3.00 pw
For lack of floor coverings and curtains	<u>£6.00</u> pw
TOTAL DEDUCTIONS	£9.00 pw

We therefore determine that the adjusted market rent is £96.00 pw.

SCARCITY

10 We are required by the Rent Act to take into account in assessing a fair rent for the Property whether there is an excess of demand over supply of accommodation such as this in Swansea and the wider area. We are satisfied on the basis of our own knowledge that there is very little in the way of rented accommodation available at the present time in the vicinity of the Property and over the wider area. Properties are generally not on the market for long. Social landlords have insufficient properties available to fulfil the area's housing needs. Of course, the demand for social housing will be higher as the rents are generally lower than in the private sector, but downsizing, affordability and mortgagability are all applying pressure on the rental market. Applying our own knowledge and experience, we are satisfied that there is a still a strong demand for properties of this type in Swansea and the wider area. We therefore conclude that it is appropriate to reduce the adjusted market rent by 15% to take this scarcity into account.

11 Accordingly, we have deducted £14.40 pw from the adjusted market rent to reflect this, making the fair rent for the Property £81.60 pw.

MAXIMUM FAIR RENT

12 We are required to consider whether the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply. The existing rent, registered on the 16th February 2012 was £69.00. The Retail Prices Index (RPI) published for February 2012 was 238.9. The RPI published in May 2014 was 255.7. The relevant increase in the RPI was 15.8. The appropriate enhancement factor in accordance with the Order is 0.05. To calculate the maximum fair rent we apply the formula as set out in the Order as follows:

$$\text{Maximum Fair Rent} = £69.00 \times \left(1 + \frac{15.8}{239.9} + 0.05\right) = £76.99$$

Rounding up to the nearest £0.50p, we assess the maximum fair rent to be £77 pounds per week.

DECISION

13 We therefore determine the fair rent for 41Ysgol Street, Port Tennant, Swansea SA1 8LF to be £77.00 pw.

DATED this 23rd day of July 2014



CADEIRYDD/CHAIRMAN