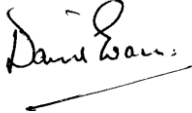


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0021/10/13
Address of Premises 162 Bridgend Road Maesteg CF34 0NE	The Committee members were D. J. Evans LLB LLM M. Abraham FRICS	
(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.	£64 per week (This amount excludes council tax and water rates but includes any amounts entered in boxes 4-5 below.)	
(2) The effective date is: The new rent will apply from this date.	21 st November 2013	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	NIL	
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	NIL	
(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>21st November 2013</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: N/A		

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL

DECISION OF THE RENT ASSESSMENT COMMITTEE
(RENT ACT 1977)

Reference: RAC/0021/10/13

Property: 162 Bridgend Road, Maesteg, CF34 0NE

Landlord: Hafod Housing Association Ltd

Tenant: Miss J Lewis

Committee: D J Evans LLB LLM
M Abraham FRICS

INTRODUCTION

1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 21st November 2013. We had before us a reference from the Rent Officer in respect of 162 Bridgend Road, Maesteg CF34 0NE (the Property). The Rent Officer had registered a fair rent of £64 per week on the 18th September 2013, effective from the 30th October 2013. The Landlord, Hafod Housing Association Ltd, has objected to the Rent Officer's decision and the Rent Officer has referred the matter to us. The Landlord had applied for the rent to be increased to £81.73 pw.

2 Before considering the matter, we visited the Property. The Tenant, Miss J Lewis, was present and we were able to inspect both internally and externally. One of the Landlord's officers also attended.

INSPECTION

3 The Property is a one bedroom stone built terraced property with dash and rendered front and back walls and a tiled roof. The Property abuts a busy main road. There is no front garden but the Property has a north west facing, long, narrow, sloping rear garden which backs onto a pedestrian access. The amenity of the garden is somewhat hampered by the fact that both adjoining properties have large single storey extensions. There is no off street parking.

4 Downstairs, there is a living room which has a gas fire with a back boiler which supplies hot water for the domestic use and for the central heating system. The Tenant has supplied the flooring. In the through dining room/kitchen, the kitchen units were supplied by the Landlord, but the appliances belong to the Tenant.

5 Upstairs, there is a large bedroom and a bathroom where the Landlord has provided an electric shower over the bath. There is no heating in the bathroom. There is evidence of mould in the bedroom. Some of the mould is, in our view, as a result of poor ventilation by the Tenant. There is, however, mould on the ceiling. The representative from the Landlord informed us that this had been due to a cold bridge as a result of inadequate insulation. This had been rectified, but the Landlord considered that internal decoration was the responsibility of the Tenant and so it had left this to be dealt with by her.

6 The Property is centrally heated in the living room, kitchen, landing and bedroom and double glazed throughout. The flooring and the carpets have been provided by the Tenant who also provided the curtains.

REPRESENTATIONS

7 The parties agreed that the matter should be dealt with on the papers. We had before us a letter dated the 17th October 2013 from Ms Annette Johnson who is a Housing Administrator for the Landlord. In it, she draws our attention to the fact that the rent has only increased by £1.50 per week over a 2 year period (2.4%). She also refers to the schedule of market evidence provided by the Rent Officer pointing out that whereas the Property is a one bedroom house, the comparables are principally one bedroom converted flats with only one purpose built flat with a rental of £85.38 pw. The Landlord had applied to increase the rent of the Property to £85.38 pw.

CONSIDERATION

8 We are required to determine a fair rent in accordance with section 70 of the Rent Act 1977 and the principles laid down in the case law. We are also required to ignore the personal circumstances of the parties.

9 The Property is a one bedroom house located on a busy road a short distance away from the centre of Maesteg. There is reasonable access by car, bus and train to Bridgend and the M4 motorway is a short drive away. There is shopping in Maesteg, with a greater variety of shopping in Bridgend.

10 We were aware that a property opposite, number 123 Bridgend Road, was available for rent at an asking rent of £350 pcm (approx. £81 pw). This is a one bedroom, ground floor flat. We took the opportunity to inspect this property from the outside. Externally it appeared to be in good condition. It is set back from the road with a small front garden. There is no rear garden, but there appeared to be parking available. We were also aware that number 200 Bridgend Road, a fully modernised, one bedroom flat, was on the market at £390 pcm (£90 pw). We were not aware of any single bedroom houses either rented or for rent in the area. Many of the comparables in the Rent Officer's market evidence have a different post code from the Property and as there are no addresses to identify the properties, we did not find the evidence to be helpful other than to give a general indication of rents in the wider area. The rents listed varied between £40.38 pw to £95.31 pw. Neither party provided us with any comparables. We are, therefore, entitled to rely upon our own knowledge and experience of the property market.

MARKET RENT

11 The Rent Officer had put the market rent, before adjustments, at £82 pw. We see no reason to depart from that. It is consistent with the asking rent for the property opposite (£81 pw). Whilst that property is a one bedroom flat and has no rear garden, it is set back from the road with small front garden and there is off street parking. Further, the rear garden at the Property is on a slope and the extensions either side of the Property give a "hemmed in" feel to the garden area. Number 200 at £90 pw is fully modernised which would account for the higher asking rent. We therefore determine the market rent for the Property, on the basis that it is in good repair, with double glazing and with the white goods, floor furnishings and curtains provided by the Landlord, as would be expected in the open market, to be £82 pw.

ADJUSTMENTS

12 The Tenant has provided the kitchen appliances and the floor coverings and curtains which modern tenants expect to be provided by the Landlord when taking on a tenancy. In our view it is appropriate to reduce the market rent by £5 pw to allow for this. Again in the market, a prospective tenant would expect the Property to be in good condition. Whilst some of the mould in the bedroom is without doubt caused by condensation arising from the Tenant's failure to ventilate the room effectively, the mould on the ceiling is a direct result of the cold bridge which the Landlord recognised as its responsibility and which it has now remedied. It has not removed the mould from the ceiling or redecorated the affected area. We consider that it is incumbent upon the Landlord to redecorate where the need for that redecoration is the result of the Landlord's own failure. This is notwithstanding the fact that the general responsibility for internal decoration is a matter for the Tenant. We therefore make a further deduction of £2 pw in view of the condition of the Property. We make the following adjustments:

For lack of kitchen appliances, floor coverings and curtains	£5.00 pw
For the condition of the Property	<u>£2.00 pw</u>
TOTAL DEDUCTIONS	£7.00 pw

We determine that the adjusted market rent is £75.00 pw.

SCARCITY

13 We are required by the Rent Act 1977 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 Maesteg and the wider area. In the present economic climate, with fewer people able to purchase properties, there is a consistent demand for rented properties in excess of the number of properties available for rent. This has an effect upon the rents demanded by landlords. Applying our own knowledge and experience, we consider that there is still a strong demand for properties of this type in Maesteg and the wider area. We therefore agree with the Rent Officer and conclude that it is appropriate to reduce the adjusted market rent by 15% to take this scarcity into account.

14 Accordingly, we have deducted £11.25 pw from the adjusted market rent to reflect this, making the fair rent for the Property £63.75 pw which we round to £64 pw.

MAXIMUM FAIR RENT

15 We are required to consider whether the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply. The existing rent, registered on the 15th September 2011, was £62.50. The Retail Prices Index (RPI) published for September 2011 was 237.9. The RPI published in October 2013 was 251.9. The relevant increase in the RPI was 14.0. 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:

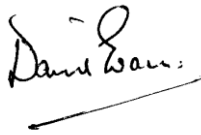
$$\text{Maximum Fair Rent} = £62.50 \times \left(1 + \frac{14.00}{237.9} + 0.05\right) = £69.20$$

Rounding up to the nearest £0.50p, we assess the maximum fair rent to be £69.50 pounds per week. As this is more than the rent we have determined in paragraph 14 above, the Order does not apply in this case.

DECISION

16 We therefore confirm the Rent Officer's determination that the fair rent for 162 Bridgend Road, Maesteg, CF34 0NE is £64.00 pw.

DATED this 10th day of December 2013

A handwritten signature in black ink, appearing to read "David Evans". The signature is written in a cursive style and is underlined with a single horizontal line.

CHAIRMAN