

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE
(Rent Act 1977)

Reference: RAC/0011/12/17

Property: 17, Acorn Villas, Ebbw Vale, NP23 8AW

Applicant: Mrs S West (tenant).

Respondent: United Welsh Housing Association.

COMMITTEE: Richard Payne, Legal Chair,
Roger Baynham, Surveyor Member.

DECISION OF THE RENT ASSESSMENT COMMITTEE

The registered rent for 17 Acorn Villas, Ebbw Vale, NP23 8AW (“the property”) is determined at £76.33 per week inclusive of services (£74.80 excluding services).

The registration of the rent takes effect from 11th May 2018.

REASONS FOR DECISION.

Background

1. On the 25th August 2017, the Respondent applied under s.67 of the rent Act 1977 for registration of a fair rent. The Respondent sought a new weekly rent of £89.98 which is equivalent to £389.91 per calendar month. The landlord does charge a service charge, at present calculated at £1.53 per week in relation to the garden and grounds. The registered rent at the time of the application excluding services was £91.02 per week, equivalent to £394.42 per calendar month, effective from the 23rd September 2015. See also further comments under ' Concluding Remarks ' below.
2. The Rent Officer determined a new registered rent of £99.00 per week (£429.00 per calendar month) to take effect from the 26th October 2017. The Applicant appealed against the registered rent by a letter to the Rent Officer dated the 8th November 2017 and the matter was duly referred to the Rent Assessment Committee by the Rent Officer service by letter dated the 30th November 2017.

The Inspection

3. The Committee inspected the property on 11th May 2018. The Landlord had been notified of the date and time of the inspection but was not represented at the same. The Applicant tenant Mrs West was present and showed the Committee around the property.

Situation & Description

4. The property is located in the Victoria area of Ebbw Vale in an area of relatively new housing. It is within easy reach of local shops and the town centre. The property comprises a two storey middle of link house which was constructed in about 1995. It is conventional built with brick exterior walls, which have been cement rendered, and a composite slate roof. The house has the benefit of double glazed UPVC windows and doors and full gas central heating provided by the wall mounted boiler in the kitchen which also generates the hot water.
5. The accommodation on the ground floor comprises an entrance hall with a staircase leading to the first floor, a living room and a kitchen with relatively new base and wall units. The kitchen is large enough to accommodate a table and chairs although it is not used as such by the Applicant. The first floor consists of a landing, two double bedrooms, a single bedroom and a bathroom having a bath with shower over, wash hand basin and a w/c. There is a serious condensation problem in the bathroom, despite having an extractor fan, which is causing damage to the ceiling and walls. It is noted that the Rent Officer commented on this in his Report of the 3rd December 2008 and the Applicant stated that she had reported it on several occasions. In addition the property has experienced water ingress through the ceilings especially on the landing and in the front single bedroom. A visual inspection of the front and rear roof could not establish any particular fault and it is possible that this has now been rectified.
6. The house has a designated car parking area to the front together with a small forecourt having metal railings whereas the rear garden, which is enclosed by wood panel fencing, is laid in lawn with a paved path. There is a rear pedestrian path which serves this and the adjoining houses.

The Law

7. Section 70 of the RA 1977 sets out the factors to be considered when determining a fair rent. In particular we are required to have regard to the age, character, locality and state of repair of the property.
8. At the same time, s.70 requires us to disregard:
 - The personal circumstances of the parties; (the law constrains us from considering the individual's circumstances and affordability.)
 - Any disrepair or other defect attributable to a failure by the tenant under the terms of the tenancy; and

- Any improvements carried out by the tenant, other than as required under the tenancy.
9. We must also assume that the number of people seeking to become tenants of similar properties in the area on terms identical to the Applicant's tenancy (save as to rent) is not substantially greater than the number of such properties which are available to rent on such terms. In other words, we must make certain assumptions regarding scarcity and demand.
 10. In addition, further regulation of Rent Act rents is provided by the Rent Acts (Maximum Fair Rent) Order 1999 ('the Maximum Fair Rent Order'), which places a cap on the permissible amount of the increase of a fair rent between one registration and the next. The cap is based upon the amount of increase in the Retail Prices Index between the dates of the two registrations.
 11. By virtue of section 72 of the RA 1977, the registration of the rent takes effect from the date when the Committee reached its decision.

Representations before the Committee.

12. The tribunal/Rent Assessment Committee sent letters to the parties inviting representations upon the matter and enquiring whether the parties required an oral hearing. Neither party requested an oral hearing. The Respondent in representations dated 20 December 2017 simply stated that they did not propose increasing the rent to the level proposed by the rent officer and would only increase it to the same as the assured rent of £85.77. Mrs West had sent a letter to the rent officer service dated 8 November 2017 indicating that she opposed the proposed rent rise and it would be impossible to pay the extra £14 per week. The committee consider that this figure had been arrived at by Mrs West because the rent officer had determined a rent of £97.47 per week exclusive of services, and £99 per week inclusive of services on the 26 October 2017.

Assessment of the rent

13. The starting point in assessing a rent under s.70 of the RA 1977 is to establish the market rent for the property. To that rent, a number of adjustments are made, to reflect the requirements of s.70.
14. The Rent Officer had provided information on a range of rents for three bedroom houses in the locality between £50- £137.31 per week. These were for terraced houses in the NP 23 postcode area including Ebbw Vale, Brynmawr, Nantyglo, Cwm, Beaufort and New Tredegar. The Rent Officer had considered the market rent to be £115.38 per week. Taking into account all of the evidence, using our own skill and expertise and having regard to the size and location of the property, we disagree with the Rent Officer's valuation and we consider that £100.00 per week is the appropriate market rent for this property.

15. Carpets and curtains would usually be provided by the landlord in a rented property and for a market rent a prospective tenant would expect the bathroom facilities to be superior to those in the property, which were fairly basic. We adjusted the weekly rent by £5 and £2 respectively to reflect this. We made a further adjustment of £5 per week in the light of the condition of the property overall to include the defects noted on inspection, leading to an overall weekly deduction of £12 from the market rent.

16. On the issue of scarcity, the Rent Officer had made a deduction of 10%, from an adjusted market rent of £109.91. We agree that there is a level of scarcity for properties of this nature in the locality, but consider that a deduction of 10% is too low and we therefore make a deduction of 15% for scarcity. This leaves a fair rent figure of £74.80 per week to which the services of £1.53 per week are added to provide a figure inclusive of services of £76.33 per week.

Calculations

17. Applying our findings and conclusions, we determined the weekly rent as follows:

Market Rent		£	£
			100.00
Less Adjustments (if appropriate)			
Carpets/Curtains		5.00	
Basic bathroom		2.00	
Condition		5.00	
			<u>12.00</u>
Adjusted Market Rent			88.00
Deduct for Scarcity	15%	<u>13.20</u>	
Fair Rent (excluding services)			<u>74.80</u>
Add services (if any)			<u>1.53</u>
Fair Rent			76.33

18. We calculated the Maximum Fair Rent using the present RPI as at the date of inspection of 278.30 and determined the MFR as being **£102.50 per week**. We are to determine the fair rent as being the lowest figure of the MFR or our fair rent calculation. The MFR therefore does not apply in this case.

Conclusion

19. The fair rent for the property is therefore **£76.33** per week inclusive of services and £74.80 excluding services.
20. The registration of the rent takes effect from 11th May 2018, the date we reached our decision.

Concluding remarks.

21. The Committee note that in the Respondent Housing Association's application for registration of fair rent dated 25 August 2017, UWHA indicated that the current rent is £85.69 per week. It is stated that they want the rent officer to register the sum of £89.98 per week as a fair rent. However, the existing registered rent at the date of the Respondent's application was £91.02 per week (which had been registered on 23rd of September 2015). Given that on their representations to the committee, the Respondent indicated that they only proposed to increase the rent to the same as the assured rent of £85.77, it is hard to see why the Association applied for a new registration of rent in the first place. If they intended to apply a new weekly rent of £85.77, then, whether this is inclusive or exclusive of services it is still less than the existing September 2015 registered rent of £91.02.
22. Therefore, it may be worth the UWHA revisiting their policies and approaches to their fair rent tenants. The Rent Assessment Committee is obliged to deal with references made to it by the rent officer service. However, public funds have been expended upon the same and considerable anguish caused to the tenant Mrs West by the Association's use of the application to register a fair rent when it transpires that the fair rent being sought was less than the existing registered fair rent. This does not suggest clarity of thinking on the part of the Housing Association and this may be an issue they would care to consider.

DATED this 16th day of August 2018



Richard Payne
CHAIRMAN