


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0007/07/13/Inkerman Street
Address of Premises 18 Inkerman Street St Thomas Swansea SA1 8BX	The Committee members were Richard Payne LLB Ruth 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.	£253.50 per calendar month (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.	26 th November 2013	
(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:		
Date of decision: <u>26th 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: £344.00 per calendar month		

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

Reference: RAC/0008/07/13 – Inkerman Street

Property: 18 Inkerman Street, St Thomas, Swansea SA1 8BX

Landlord: Ms C Farquharson c/o Swansea Property Agents,

Tenant: Mrs Helena Powell

COMMITTEE: Richard Payne LLB M Phil. - Chairman
Ruth Thomas MRICS. - Surveyor

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

1. We were duly convened as a Rent Assessment Committee under the Provisions of the Rent Act 1977 and met at the subject property on the 26th September 2013. We had before us a reference from the Rent Officer in respect of 18, Inkerman Street (“the Property”). The landlord of the Property is Ms C Farquharson who lives in New Zealand and the property is managed on her behalf by Swansea Property Agents. The tenant is Mrs Helena Powell who is an elderly lady with memory difficulties. We were assisted during our inspection by the tenant’s daughter Ms Andrea Sellars who lives nearby at 43, Inkerman Street and is familiar with her mother’s occupation of the property.
2. The landlord through her agents, Swansea Property Agents, applied on the 22nd of April 2013 to register a fair rent of £425 per month. The Rent Officer had determined a fair rent of £251.00 per calendar month to be effective from the 28th June 2013 and the landlord’s agent had appealed against this by a letter that bore the date of 4th June 2013. This was clearly an error and should have read the 4th July 2013 because the letter was date stamped as having been received by the Rent Officer service on the 8th July 2013.
3. Before inspecting the Property we had the application for the registration of fair rent, the Rent Officer’s determination, and the letter of the 4th July (4th June) 2013 from Mr Andy Smith of Swansea Property Agents formally objecting to the rent that had been registered. Both parties indicated that they wished to appear at a hearing before the Rent Assessment Committee and both were duly notified of the inspection and the hearing date by letters dated 4th September 2013 from the Tribunal.

THE INSPECTION

4. We inspected the Property in the presence of the tenant and her daughter Ms Sellars joined us for the latter part of the inspection. The landlord's agent was notified of the inspection but did not attend and was not present or represented. The Property comprises a two storey, two bedroomed mid terraced house in a quiet residential street in St Thomas which is within half a mile of the city centre of Swansea and only a short walk from the nearby new Swansea SA 1 waterfront development and other local amenities. The property opens directly onto the street; at the rear there is a concreted garden area which overlooks the gardens of the terraced houses to the left.
5. The accommodation on the ground floor comprises a living room, and kitchen. The ground floor would originally have had two rooms before the kitchen but these have been converted into one larger through lounge which is carpeted throughout. The property is centrally heated and benefits from double glazing.
6. There is a small kitchen with wooden flooring at the rear of the property in which some of the units needed attention. Adjoining the kitchen is a lean to outer kitchen constructed by the tenant's late husband and her son which houses the white goods. The exterior of the house at the rear was painted.
7. The stairs in the property are very steep. Upstairs on the first floor there is a middle spare bedroom/ storage room. There is no heating in this middle bedroom. There is a bathroom at the rear of the property which had been adapted for the late Mr Powell and which has a walk-in shower. The bathroom is double glazed. The front bedroom is a double bedroom and is double glazed and has a radiator.
8. External examination revealed that the roof was in reasonable condition, and the front of the property was pebble dashed but the side was not.

NOTES ON VALUATION

9. The fair rent valuation sheet submitted by the Rent Officer shows a fair rent of £251 per calendar month and the Maximum Fair Rent Order applying. A fair rent of £251 per calendar month was registered on 28th June 2013 to be effective from 28th June 2013. In arriving at his initial market rent of £475 per calendar month, rent comparables ranging from £368.33-£550.50 per calendar month were considered by the Rent Officer. No written representations were put forward by the parties to the Committee and no written comparable rental evidence was produced by either party prior to the inspection.
10. Whilst both parties were given the opportunity to attend at the hearing before the Committee and had indicated that were going to attend, in the event only the tenant's daughter, Miss Sellars was in attendance representing Mrs Powell. There was no communication by or on behalf of the landlord/agents as to why they had chosen not to attend and we proceeded with the hearing.

THE HEARING

11. Miss Sellars confirmed that her mother had lived in the property under a tenancy that began pre-1960. She explained that she deals with all correspondence on behalf of her mother. She indicated that the front door and windows have been replaced bit by bit and was a new backdoor from the lean to and the kitchen. She said that the front door and windows have been replaced several years ago and the back windows have been replaced more than 3 years ago.
12. Miss Sellars informed us that the bathroom had been replaced by social services for her late father and that all units had been paid for by her mother. With regard to central heating she explained that there was initially an immersion heater and that there was no central heating when her mother moved into the property, but they just had a gas fire. She explained that the carpets and curtains were provided by her mother but that a combi boiler and central heating had been put in as the result of a grant scheme. We were told that the landlord's consent was required for the central heating. The tribunal questioned Miss Sellars about this because the previous Tribunal in 2010 had been told that the central heating and double glazing improvements of the property had been funded and put in by the tenant. Miss Sellars confirmed that she did not think that this was the case and that the works were grant aided.
13. Miss Sellars gave evidence that the kitchen units were falling apart and that her mother had been promised that those would be replaced and that new flooring would be put down but that her mother was still waiting for this to happen.
14. With regard to questions of demand, Miss Sellars felt that rents of around £450 a month being asked for two to three bedroom properties in the area were for properties that had been modernised and upgraded and were in a better condition than 18 Inkerman Street.
15. Miss Sellars did not produce any evidence as to rents in the general locality but she did report that the next door neighbour to her mother was paying rent of £475.00 per month but that this was for a modernised property. With regard to scarcity, Miss Sellars described there being a shortage of properties available in that there were more potential occupiers than properties available and she felt that the particular area of Inkerman Street had now become more popular because of its proximity to SA 1 and the waterfront development.
16. The tribunal noted that the evidence that had been given to it was to the fact the central heating and double glazing had been provided by the tenant and this was not the evidence that was now being given by Ms Sellars. We did not have any documentary evidence before us in relation to these matters and we therefore did not make a decision at the date of the hearing but instead gave directions in writing on 2nd October 2013 to both parties giving them the opportunity to provide us with written representations upon the questions of the funding and maintenance of the central heating and double glazing and improvements undertaken by the landlord. Responses were sought from both parties by the 16th October 2013.
17. We received no further information or representations on behalf of the tenant. On 22nd October 2013 we received a compliment slip from the landlord's agents which stated "we do not hold any info on the boiler installation but the landlady assumes responsibility for maintenance." There were also a number of invoices supplied in relation to glazing work undertaken by Aquaseal, Edward B Roberts and Bevan Home Improvements Limited in 2006, 2007, 2008 and 2009.

DECISION

18. In reaching our decision we consider the fair rent in accordance with Section 70 of the Rent Act 1977 and the principles set out in applicable case law, and calculate the maximum fair rent in accordance with the relevant regulations where applicable. The rent registered is the lower of the two.
19. We gave careful consideration to all of the evidence available before us, and taking into account our knowledge and experience and noting that this is an end of terrace property next to a commercial property, we find that the market rent for a property of this type would be £465 per calendar month on the basis that the landlord provides carpeting and curtains and with central heating and double glazing. There are no carpets and curtains provided by the landlord and the kitchen and bathroom, as provided by the landlord, are very basic and very small. In these circumstances, it is therefore appropriate to make adjustments for the lack of carpets and curtains and to reflect the basic bathroom and kitchen. In the light of the evidence we received however, it is clear that the property does now benefit from central heating and double glazing and that, notwithstanding that the central heating was supplied with the benefit of a grant that the landlord authorised this and is responsible for maintenance and this is therefore treated as a landlord's improvement.
20. We noted that the Rent Officer had assessed the market rent at £475 per calendar month but then deducted £85 to reflect the age and character of the dwelling. We had also considered upon the same day, the application in relation to 43 Inkerman Street (tenanted by Ms Sellars) and noted that, although a mid-terrace property, it was on the other side of the street and very close to number 18 and yet the Rent Officer had made no proposed deductions at all for age and character of that dwelling at number 43 despite it being of similar age and character. This was an inconsistency for which we could find no adequate reason.
21. We assessed the question of scarcity which the Rent Officer had assessed at £53.25 per calendar month which equates to 15% of his adjusted market rent of £355.34 (15% of £355 to be accurate). From our knowledge and experience of the rental market in the area, we determine that there is an element of scarcity for this type of property. We find that the figure of 15% is reasonable and appropriate for scarcity.

22. We therefore calculate the fair rent as follows;

Market Rent	£465.00 per calendar month
Less adjustments:	
Carpets and curtains	£20.00
Condition	£10.00
Basic kitchen/bathroom	£30.00
	<u>£60.00</u>
Adjusted Market Rent	<u>£405.00 pcm</u>
Less scarcity @ 15%	£60.75
Fair Rent	<u>£344.25</u>
Say,	£344.00 per calendar month

23. We then considered the provisions of the Maximum Fair Rent Order. The Order does not apply if "... because of a change in the condition of the dwelling house as a result of repairs and improvements carried out by the landlord, the rent that is determined exceeds by at least 15% of the previous rent registered....." The last registered rent was £218.00 per calendar month on 16th November 2010. Therefore, for the maximum fair rent order to apply, the monthly value of the improvements would need to exceed a figure of 15% of £218.00 per month i.e. £32.70 However, we find that if the fair rent had been adjusted in the alternative to reflect the heating and double glazing installations as if they had been installed since the last Fair Rent registered, the adjustment would not have been greater than £32.70 per month and therefore the Maximum Fair Rent Order is not to be disregarded.

24. The rent now to be registered is as at 26th November 2013 and for the purposes of the Order the relevant Retail Prices Index (RPI) at that date was 251.9. The RPI as at the date of the last registration i.e. November 2010, was 226.8. The relevant increase in the RPI is therefore 25.1. The appropriate enhancement factor is 0.05. To calculate the maximum fair rent we apply the formula as set out in the Order.

25. We therefore determine the rent to be registered, exclusive of rates and taxes, at £253.50 per calendar month. We record that the date of our decision was the 26th November 2013.

DATED this 26th day of November 2013

A handwritten signature in black ink, consisting of a cursive 'C' followed by a loop and a long horizontal stroke.

CHAIRMAN