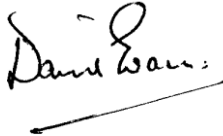


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0022/09/16
Address of Premises 7 Oakfield Street Llanbradach Caerphilly CF83 3NX	The Committee members were David Evans LLB LLM Mark Taylor BSc 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.	£86.50 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.	18 th January 2017	
(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>18/01/17</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/0022/0916
Property: 7 Oakfield Street, Llanbradach, Caerphilly, CF83 3NX
Landlord: United Welsh Housing Association Ltd
Tenant: Mrs D Chambers
Committee: D J Evans LLB LLM
M Taylor BSc MRICS

PENDERFYNIAD / DECISION

INTRODUCTION

- 1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 18th January, 2017. We had before us a reference from the Rent Officer in respect of 7 Oakfield Street, Llanbradach, Caerphilly, CF83 3NX (the Property). The Rent Officer had registered a fair rent of £86.50 per week on the 25th August 2016. The Landlord, United Welsh 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 £96.65 per week.
- 2 Before considering the matter, we visited the Property. The Tenant, Mrs D Chambers, was not available but her husband, Mr A Chambers, was present and we were able to inspect internally and externally from the street and from the rear lane. The Landlord did not attend.

INSPECTION

- 3 The Property is a two bedroom mid-terrace house located in the small village community of Llanbradach, north of Caerphilly. The house was constructed approximately 100 years ago, probably as a cottage for mine workers in the old Llanbradach mine and their families. The house has been renovated and internal works have been carried out to adapt it for the use of the tenant's "Nan" who is now deceased. The stairlift is still in situ as is the walk in shower with seat. The Tenant has chosen to retain these features. The Landlord had indicated that there would be a charge if she wanted the Landlord to remove them. The building has stone solid walls at the front, uPVC doors and windows and a "slate" roof incorporating solar panels. There is double glazing and central heating throughout. The Tenant has provided the white goods and the floor coverings as well as the blinds/curtains. The Property has a rear north facing garden with pebbled areas and bounded by a substantial privet hedges with a lane at the back. The lane wall was of block and brick construction. The houses in the immediate terrace are similar in style. There are some locally based facilities for shopping nearby and both road and rail transport links to Caerphilly.
- 4 Downstairs, the Property has a front living room with a unit comprising a fireplace and electric fire. The Tenant had replaced the original gas fire as it had been over 30 years old.

The rear kitchen/diner is a good size with a range of units provided by the Landlord, As referred to earlier, the Tenant has provided the oven, washing machine and fridge. The kitchen also houses the combi boiler which provides hot water for the central heating as well as for washing. We were told by Mr Chambers that there were a few problems with the boiler. However, we considered that these were unlikely to impact upon the rental value. Upstairs, there are two bedrooms. Both are small double rooms, one at the back and one at the front. The front bedroom has been reduced in size to accommodate an upstairs bathroom. In order to install the pipework for the shower unit, the bathroom floor had to be raised slightly. Rather than create a small step, the entrance to the bathroom slopes slightly. Unfortunately the flooring creaks when walked upon. Generally, however, the house is in good condition.

REPRESENTATIONS

- 5 When ascertaining the fair rent for the Property, the Rent officer has deducted £8 from what he considered to be the market rent for the lack of furniture, explaining that “in the majority of cases part furnishings, carpets and curtains are included”. The Landlord argues, in its representations of the 28th September 2016, that neither it nor the Council lets the majority of their respective properties part furnished. The Landlord also explains that the delay in registration was due to the Rent Officer’s not understanding the succession rules. This latter point is not a matter for us. The Tenant made no representations.

CONSIDERATION

- 6 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.

MARKET RENT

- 7 Neither party has provided us with any comparables. We must, therefore, rely upon our own knowledge and experience of the property market. The list of rentals provided by the Rent Officer, whilst not too specific, gives some indication as to the rental values of properties in the CF83 post code area. There are however only three 2 bedroom properties listed in Llanbradach with rents of £450 per calendar month , £475 per calendar month and £495 per calendar month. Unfortunately we do not know where in Llanbradach they are situated, their condition, the size of the rooms or the plot sizes.
- 8 We were also aware of two properties being marketed for rent in Llanbradach. The closest was in Wingfield Crescent. This was a three bedroom stone built terraced property with a forecourt front garden. From our roadside inspection it appeared in good condition. The landlord provided the cooker but not the fridge or washing machine. The bathroom was downstairs. It was being marketed at £565 per calendar month. As well as being larger and with a third bedroom, it appeared to us that the house was better located, albeit on a main road. The other property was in Thomas Street, close to the railway station. This was also a three bedroom property. There was no forecourt but it had a separate utility room and a ground floor bathroom. There was a through lounge/dining room as well. Internally, we understood the house to be in good order although it appeared from our kerbside inspection that externally it was not in such a good condition as either the Property or the house in Wingfield Crescent. The steps up to the front door might also deter elderly prospective tenants and those with babies and small children. White goods were not provided. It was on the market at £500 per calendar month.

- 9 From our inspection of the Property and the comparables, we have concluded that the market rent would be substantially less than the asking rent for the house in Wingfield Crescent. The latter is a larger and better positioned property with the small front garden. It has also the extra bedroom. We also consider that the Property would be let at significantly less than the house in Thomas Street which has the third bedroom as well as the through lounge/dining room, even though white goods are not provided. If the Landlord had provided a cooker at the Property (as with Wingfield Crescent) and if floor coverings had also been provided by the Landlord (as with both Wingfield Crescent and Thomas Street) it is our view that the Rent Officer has correctly assessed the market value at £475 per calendar month (£109.62 per week).

ADJUSTMENTS

- 10 The Landlord's reason for appealing the Rent Officer's decision is not based on the "market rent" assessment of £109.62 per week but on the deduction of £8.00 which the Rent Officer attributes to "furniture". He explains that, in the market, "our evidence suggests that in the majority of cases part furnishings, carpets and curtains are included in the rent attained." The Landlord argues that as neither it nor the Council lets properties part furnished. This "would result in us receiving the maximum fair rent for the property."
- 11 The Rent Officer rightly refers to the common practice of many private landlords to provide white goods (cookers, fridges and washing machines) as well as carpets and curtains in rented properties even though they are let unfurnished. Indeed tenants expect them to be included. However, we have noticed the trend in recent years for landlords to provide carpets, but not curtains. That is the case with both comparables referred to above. Again, whilst many landlords provide a cooker, more nowadays are not providing washing machines or fridges (as with the property in Wingfield Crescent). It is important therefore when using comparables to ensure that we are comparing like with like, or if not, that we make appropriate adjustments when arriving at the market rent.
- 12 Our assessment of the market rent of £109.62 per week is on the assumption that carpets and a cooker were provided by the Landlord. It has not done so. We must therefore make some slight adjustments to accommodate this as the prospective tenant would not pay this rent if he/she had to provide these items. Accordingly we reduce the rent by £5.00 per week for the absence of carpets and a further £3 per week for the lack of a cooker. This makes the adjusted market rent to be £101.62 per week,

SCARCITY

- 13 We are required by the 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 the wider Caerphilly area. No evidence was provided by the parties, but we are satisfied on the basis of our own knowledge that there is a shortage of rented accommodation available at the present time. There are hardly any houses to let near the Property or even in Llanbradach. In the wider area there is also a shortage, particularly in the case of 2 bedroom houses. Social housing is still very much in demand no doubt aided by the fact that rents are generally lower than in the private sector. Even then, the chances of being housed in most areas are regarded as either "poor" or "very poor". The shortage of available properties has the effect of increasing market rents and the fair rent regime was introduced with a view to counter-balancing this. The Rent Officer has adjusted the market rent by 15% to take the

scarcity into account. We agree with that figure. It recognises the fact that over the wider area there is a shortage of properties such as this for rent

- 14 Accordingly, we have deducted £15.24 per week from the adjusted market rent to reflect this, making our assessment of the fair rent for the Property £86.38 per week which we round up to £86.50 per week. This is the same figure as determined by the Rent Officer and we therefore confirm his registration.

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 14th August 2013, was £83.00. The Retail Prices Index (RPI) published for August 2013 was 251.0. The RPI published in December 2016 was 265.5. The relevant increase in the RPI was 14.5. 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:

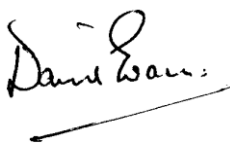
$$\text{Maximum Fair Rent} = \text{£}83.00 \times \left(1 + \frac{14.5}{251.0} + 0.05\right) = \text{£}91.94$$

We round this figure up to £92.00. However, as this is more than the fair rent that we have confirmed, the Maximum Fair Rent provisions do not apply.

DECISION

- 16 As our assessment of the fair rent (£86.50 per week) is the same as the rent registered by the Rent Officer, we confirm that the fair rent for 7 Oakfield Street, Llanbradach, Caerphilly CF83 3NX is £86.50 per week.

DATED this 30th day of January 2017



CADEIRYDD/CHAIRMAN

