

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0023/11/13
Address of Premises Summerville Flat 1 Stansty Park Mold Road Wrexham LL11 4YG	The Committee members were Mrs A V S Lobey Mr T Daulby	
(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.	£287 per 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.	17 th December 2013	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£12 per month	
(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>17th December 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/0023/11/13

Property: Summerville, Flat 1, Stansty Park, Mold Road, Wrexham LL11 4YG

Landlord: Stansty Park Estates

Tenant: Mr T Williams

Committee: AVS Lobley
T Daulby MRICS, FNAEA

Observers: C McNall
D Jones

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 on 17th December 2013 at Flat 1, Summerville, Stansty Park, Mold Road, Wrexham, LL11 4YG (the Property). We had before us a reference from the Rent Officer in respect of the Property. The rent had previously been registered as £270 per calendar month, with service charges noted of £12 on 19th August 2011. The Landlord's agent, Mr Dodd, had objected to that registration (he sought a rent of £380 per month) and the rent had been determined by a Rent Assessment Committee on 9th November 2011 as £270 per month, including £12 in respect of services. Mr Dodd applied again for the registration of a fair rent on 21st August 2013, proposing a fair rent of £375 per month. In respect of services, it was said extensive gardens were maintained by the Landlord at a total cost of over £5000 per annum and he thought £8 per week of the proposed rent was due to these services. Mr Dodd noted on his application that contrary to the assumption made at the last review, the Property had had a fitted kitchen at the commencement of the lease. It was not claimed any improvements had been carried out since the last registration.

2 On 16th October 2013, the Rent Officer registered a rent of £355.33 per calendar month effective from 9th November 2013. It was clear from the fair rent calculation made by the Rent Officer the figure of £355.33 had been registered by mistake, as this figure was the relevant market rent starting point. The Rent Officer's calculation showed adjustments being made to this figure of £37.67 for age, character etc., £17.33 in respect of part furnishings and £37.53 in respect of scarcity (12%). He had used a range of market rents from £294.67 to £475. Service charges were noted as £16 (but not variable).

3 The tenant, Mr Williams, made an objection to the rent registered by the Rent Officer, on the grounds that the rise, from £270 to £355.33, was exorbitant. The previous assessment by a Rent Assessment Committee in November 2011 had increased the rent by £15 a week and there had been no improvements since then to the Property. The matter was referred to the Residential Property Tribunal on 4th November 2013.

4 Prior to the hearing, Mr Dodd submitted letting details of a maisonette at Stansty Park, which, he said, had been let earlier in the year for £350. Mr Williams responded by letter dated

15th November 2013. He said the agent's particulars looked impressive but did not show Summerville, which was at the side. He could not see the lawns from the Property and he had never used them as there was no privacy. The rear of the Property, the only entrance to the estate, had not been photographed and was less impressive. The surface was muddy and had not been maintained, large vehicles belonging to a fair were parked there and there were working garages with vehicles for scrap and repair parked everywhere. When he took the Property it had been empty with a single unit in the kitchen with no carpets or floor coverings, no fitted kitchen or fireplace, cooker or cupboards and urgent decoration was needed. He had maintained the Property since, providing a new front door, interior doors, tiled the bathroom and kitchen and provided a new sink. The estate had only provided a shower, fire alarms and a new toilet. There was no double glazing and the window frames were rotten, there was damp and condensation, the old oil heating system was a "disgrace" and he had to use electric heaters. The system broke down regularly and he had to go out and restart it. He had no control over it. There was no wall or roof insulation. The toilet window was broken. He provided photographs of the poor condition of the brick work and the windows.

THE PROPERTY

5 The Property is at the side of a large building which has been converted into flats. It appears from documents provided by the Landlord that Stansty Cottage, attached to Stansty Park, had been converted into three flats in about 1976. The Property is on the ground floor, with a hallway, living room, bedroom, bathroom, separate WC and kitchen. The heating is provided to all the flats from a central boiler. There is no double glazing and the condition of the windows is poor and draughty. Mr Williams has fitted kitchen units and tiled the floor of the kitchen and hall and bathroom. The sink and a new front door had been provided by Mr. Williams. The landlord fitted a Mira shower a few years ago. There are large communal gardens for the use of the tenants (though Mr Williams does not, in fact, use them) and Mr Williams has an allocated car park. Access is via the rear of the Property, where there are several businesses. The Property is located near a good highway with good access to Wrexham.

THE HEARING

6 An inspection was arranged for 17th December 2013 at 9:30 with a hearing thereafter at 11:00 at Plas Pentwyn, Castle Road, Coedpoeth, LL11 3NA. The Committee attended at the time arranged and inspected the Property in the presence of Mr Dodd and Mr Williams and the two observers. Mrs Hughes attended at the hearing with Mr Williams. Mr Dodd told the Committee he thought there had been more at the property than a sink, he did not fully accept there had been no curtains. He had not received a copy of Mr. Williams' letter dated 15th November 2013. He recognised the property was not "top spec" but he was concerned about the comparables, the property had been valued at the bottom of the comparables quoted by the Rent Officer, he did not necessarily accept the last decision and the assumption there were no carpets. Mr Williams responded that when he moved in there had been just a sink and no kitchen units at all. He had replaced the sink in the bathroom as it was cracked. There was a concrete floor in the living room and bedroom. There were no curtains. He replaced all the internal doors. The heating escaped through the windows and had broken down $\frac{3}{4}$ times in the autumn. Mr Dodd thought there was carpet.

7 Mr Dodd had produced a written statement, from which he read. He accepted that due to the cap, the rent was limited to £301 a month but he wished to have recognition that without the cap, a fair rent should be £375 a month. He submitted the Committee should take account of the Rent Officer Handbook, in that a house situate in pleasant surroundings and with the advantage of local amenities may well command a higher rent than an identical house in a less attractive setting.

The adjustments made by the Rent Officer did not recognise this, were excessive and not warranted by the differences between Summerville and the comparables. The adjustments meant the property was ranked at the bottom of the values given to one bedroom flats. He had provided details of an open market letting directly comparable but slightly smaller, with a shared bedroom/living room, on three levels and opening directly on to the yard, not surrounded by maintained gardens as Summerville was. Two other flats in the block had been let at £450 and £540 per calendar month. The lettings quoted by the Rent Officer were all some distance away, unfurnished and the values reflected characteristics such as their age, location, character and state of repair. He could not accept that after adjustments by the Rent Officer, the rental value for Summerville was right at the bottom of rental values for one bedroom flats. It was in a listed building, with central heating, in pleasant surroundings with extensive gardens and in close proximity to local services, which supported his valuation of £375, even if accepting the allowance for scarcity (which he did not) of 11% that produced a figure of £334. He asked the Committee to accept there was no scarcity and confirm his valuation figure of £375, or £334, if scarcity was considered to apply, and accept the cap applied so the rental payable was £301.

8 In respect of service charges, Mr Dodd said there was no service charge as such, Mr Williams was charged a percentage of the oil charges, calculated on the basis of the square footage. He did not pay separately for the garden, it was included in the rent. The cost of maintenance was over £5000 a year.

9 It was accepted by the Committee that Mr Dodd ought to have the opportunity to produce the information he might have in his possession relating to whether there were carpets and kitchen units at the beginning of the tenancy.

10 In an email received on 22nd December 2013, Mr Dodd said that although he was not involved with the management of Stansty at the time of the tenancy agreement, he struggled to accept that there were no floor coverings or any kitchen units apart from the sink, as it had been occupied immediately before Mr Williams took up residence. The Council had required the estate to provide floor coverings. Mr Williams' original letter (dated February 1983) acknowledged that the flat had been tenanted before he took up residence. They had not been expected to carry out any work to the Property as his father's offer letter had made clear. Mr Williams' original fair rent application made reference to the replacement of kitchen units, not installation. Mr Dodd confirmed he was arranging for the toilet window to be repaired and the other windows would have been replaced under their ongoing maintenance plan in the last 12 months, but they had had to spend over £12,000 repairing the drains. He did not accept the picture painted by Mr Williams of the access to the rear of the Property. There was no problem obtaining and retaining long term tenants, who all shared the same access. Mr Williams only shared the garden immediately around the property with one other person and Mr Williams also had access to the main lawns and lakeside area, all maintained at the landlord's expense. None of the other flats had a similar private garden and had main doors opening directly on to the yard. He did not accept the claims about the central heating, for which Mr Williams paid £30 a month and he was not aware of any problems being reported by Mr Williams about the heating but it was regularly maintained.

11 Mr Williams was invited to respond to Mr Dodd's letter and Mrs Hughes did so on his behalf in a letter dated 5th January 2014. She pointed out that Mr Dodd had not been involved 30 years ago. However, she said that Mr Dodd had not mentioned "Leahurst" at the hearing, apparently a large upstairs flat at Stansty Park overlooking the lawns and lake with a cellar, two bedrooms and a large kitchen, let for £370 per month. Mr Williams' flat was the only one which was not able to house a washing machine.

THE COMMITTEE'S FINDINGS

12 The Committee had to determine the Fair Rent, having regard to Section 70 of the Act which provides that regard shall be had to all the circumstances, and in particular, the age, character, locality and state of repair of the dwelling house. The Committee also had to calculate the maximum fair rent in accordance with the Rent Act (Maximum Fair Rent) Order 1999. Where the maximum fair rent applies, the rent registered is the lower of the fair rent and the maximum fair rent. The Committee, from its knowledge of rents in the area, considered that a market rent of £370 per calendar month was reasonable. It was apparent from the Committee's inspection that the property had the benefit of heating, which was centrally controlled and went on and off during the day. Mr Williams paid for this separately but did not have any control over the temperature and found it necessary to provide further heating (the central heating was on from 7 until 9, 12:15 to 1:45 and from 4:30 to 9:30). There was a patch of damp in the bedroom and in the kitchen and although the extent of the fittings provided at the beginning of the tenancy by the Landlord was hotly disputed between the parties, the Property would need to be updated in order to be let on an assured shorthold tenancy. Carpets and curtains would be needed, even if let unfurnished, and even if there had been some units in the kitchen and a basic bathroom at the beginning of the tenancy, which began in 1983, these would need updating. The condition of the windows was poor. The committee made the following adjustments to the rent figure to allow for these matters: £6 lack of controllable heating, £10 carpets and curtains, £10 kitchen/ bathroom, £10 condition, £10 lack of double glazing.

13 The Committee also had to adjust the market rent to take account of matters which have to be disregarded under the Act, including scarcity which the Committee assessed at 15% and made a deduction of £48.60 for this. The committee calculated the fair rent to be £275.40.

14 As regards the service charge, this was a fixed charge of £12 included in the rent, apparently for maintenance of the grounds. The Rent Officer had uplifted this figure to £16, for reasons which are unclear to the Committee. There did not appear to be any dispute between the parties that the grounds were maintained to a reasonable standard, though there was no documentary evidence before the Committee of the cost of £5,000 claimed by Mr. Dodd. In the circumstances, the Committee considered the fixed service charge of £12 should be included in the assessed rent, as previously.

15 The committee calculated the maximum fair rent to be £302, using a present RPI of 251.9, an RPI for the month of last registration of 236.1 and an enhancement value of 0.05. This gave a maximum fair rent of £302. As the Maximum Fair rent is higher than the Fair Rent, the Order does not apply.

17 The Committee determined that the Fair Rent to be registered is £287 per calendar month inclusive of a fixed service charge of £12.

DATED this 7th day of February 2014



CHAIRMAN