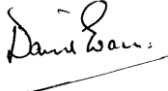


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0039/03/14 Bath Road
Address of Premises 24 Bath Road Morrison Swansea SA6 7AP	The Committee members were D. J. Evans LLB LLM R. E. 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.	£66.50 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.	20 th June 2014	
(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>20th June 2014</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/0035/03/14 Bath Road
Property: 24 Bath Road, Morryston, Swansea, SA6 7AP
Landlord: Family Housing Association (Wales) Ltd
Tenant: Mr R Hawksworth
Committee: D J Evans LLB LLM
R E Thomas MRICS

INTRODUCTION

1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 20th June 2014. We had before us a reference from the Rent Officer in respect of 24 Bath Road, Morryston, Swansea SA6 7AP (the Property). The Rent Officer had registered a fair rent of £69.50 per week on the 21st February 2014. Both the Landlord, Family Housing Association (Wales) Ltd, and the Tenant, Mr R Hawksworth, have 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 £78.05 pw.

2 Before considering the matter, we visited the Property. The Tenant was present and we were able to inspect both internally and the front externally. The Landlord did not attend.

INSPECTION

3 The Property is a two bedroom mid terrace house located in Morryston, a residential area of Swansea. It was constructed approximately 100 years ago as workers' accommodation for people employed in local industries. It has solid stone walls, uPVC doors and windows and a tiled roof. There is double glazing and central heating throughout, with a new boiler provided by the Landlord in 2013. The Landlord has provided flooring in the kitchen, but the remainder of the floor coverings and the curtains and blinds have been provided by the Tenant. The front of the Property abuts the pavement and there is a sloping rear garden with views. There is no rear lane access. There is evidence of historic settlement. The houses in the immediate terrace are similar in style. Some of the nearby gardens have Japanese Knotweed. There are some locally based facilities for shopping and schools and there is easy access by car or public transport to the centre of Swansea with its shopping and transport connections.

4 Downstairs, the Property has a small front living room and a kitchen/diner with modern units supplied by the Landlord in 2013 and some tiling also provided by the Landlord. The Tenant has provided the white goods. Adjacent to the kitchen is a utility area (unheated). We noted some damp in the living room and there were slug trails leading from a hole by the front door. The rainwater has been discharging onto the pavement at the front which has caused the surfaces to wash away allowing a hole to form which enabled the slugs and water to enter the property. The Landlord has removed the gas heater in the living room and the Tenant advised us that the room is

cold in winter. The lean to utility area showed signs of movement away from the main walls of the house and, according to the Tenant, although the Landlord has stopped the ingress of water from the resultant gaps it was still open to the wind and the cold. Upstairs, there are a double bedroom and a single bedroom. There is difficulty opening a front window as the runner has rusted. The small, basic bathroom, also upstairs, has been created by reducing the size of the second bedroom. It is part tiled and the Landlord has provided the shower over the bath. However, the grouting and sealant has deteriorated and requires attention, the shower switch does not work properly and the toilet seat is broken.

REPRESENTATIONS

5 In his letter undated received by the Rent Officer on the 19th March 2014, the Tenant states that the increase is 10%, which he considers to be excessive. In its letter of the 25th March 2014 addressed to the Rent Officer, the Landlord argues that it had requested an increase of the rent to £78.05 pw, but the increase allowed was only to a rent of £69.50 pw which was a shortfall of £8.55 pw equating to £444.60 pa plus any additional increase for the year 2015/2016. The increase requested by the Landlord was consistent with the rents of comparable properties in the area and in line with the benchmark rents for assured properties for the current year. There would be a large disparity between the Rent Officer's rent and the rents of similar properties. We were not provided with any comparables by either party.

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. The fact that the rent is lower than the benchmark rent and its potential effect on the Landlord's finances are not matters which we are able to take into consideration.

MARKET RENT

7 Neither party had provided us with any comparables. We were aware of a 2 bedroom terraced house in Cwmbach Road with an asking rent of £450 pcm, a further house in Lan Street with an asking rent of £475 pcm and another in Horeb Road with an asking rent of £425.00 pcm. The list of rentals provided by the Rent Officer is none too specific, and gives no more than an indication of rents in the general area - between £85 pw and £115.38 pw. We are, therefore, entitled to rely upon our own knowledge and experience of the property market. The Property is small in its floor area and, although it has two bedrooms, the second bedroom is only really suitable for a child. The Rent Officer's figure of £103.00 pw is in our view on the high side. We consider that the market rent for the Property is £90.00 pw

ADJUSTMENTS

8 The Tenant has provided the kitchen appliances, most of the floor coverings as well as the curtains and blinds. Most tenants would expect these to be supplied by the Landlord when taking on a tenancy. Such matters, as well as the basic bathroom, are bound to impact upon the attitude of prospective tenants when viewing the Property. Furthermore, the repairing issues referred to in paragraph 4 above would have a depreciating effect on the rental value. We therefore make the following adjustments:

For the provision of a basic kitchen and bathroom	£2.00 pw
For lack of floor coverings and curtains	£5.00 pw
For lack of repair	<u>£5.00</u> pw
TOTAL DEDUCTIONS	£12.00 pw

We therefore determine that the adjusted market rent is £78.00 pw.

SCARCITY

9 We are required by the Rent 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 Swansea and the wider area. We are satisfied on the basis of our own knowledge that there is very little in the way of rented accommodation available at the present time in the vicinity of the Property and over the wider area. Properties are generally not on the market for long. Social landlords have insufficient properties available to fulfil the area's housing needs. Of course, the demand for social housing will be higher as the rents are generally lower than in the private sector, but downsizing, particularly as a result of the changes in housing benefits, affordability and mortgagability are all applying pressure on the rental market. Applying our own knowledge and experience, we are satisfied that there is still a strong demand for properties of this type in Swansea and the wider area. We therefore conclude that it is appropriate to reduce the adjusted market rent by 15% to take this scarcity into account.

10 Accordingly, we have deducted £11.70 pw from the adjusted market rent to reflect this, making the fair rent for the Property £66.30 pw, say £66.50 pw.

MAXIMUM FAIR RENT

11 We are required to consider whether the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply. The existing rent, registered on the 6th March 2012 was £63.00. The Retail Prices Index (RPI) published for March 2012 was 240.8. The RPI published in May 2014 was 255.7. The relevant increase in the RPI was 14.9. 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:

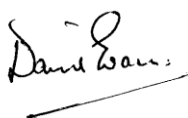
$$\text{Maximum Fair Rent} = £69.00 \times \left(1 + \frac{14.9}{240.8} + 0.05\right) = £70.05$$

Rounding up to the nearest £0.50p, we assess the maximum fair rent to be £70.50 pounds per week. As this is more than the rent we have determined in paragraph 10 above, the Order does not apply.

DECISION

12 We therefore determine the fair rent for 24 Bath Road, Morriston, Swansea SA6 7AP to be £66.50 pw.

DATED this 23rd day of July 2014



CADEIRYDD/CHAIRMAN