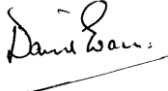


**Rent Assessment Panel for Wales**

<b>Notice of the Rent Assessment Committee Decision</b>		File Reference Number: RAC/0018/04/14 Ruggles Terrace
Address of Premises  8 Ruggles Terrace Morrison Swansea SA6 7JB	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.	£75.00 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 <sup>th</sup> 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>20<sup>th</sup> June 2014</u>	 Chairman:	
<b>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.</b>		
(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/0018/04/14 Ruggles Terrace  
Property: 8 Ruggles Terrace, Morriston, Swansea, SA6 7JB  
Landlord: Family Housing Association (Wales) Ltd  
Tenant: Mrs M Williams  
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 8 Ruggles Terrace, Morriston, Swansea SA6 7JB (the Property). The Rent Officer had registered a fair rent of £77.50 per week on the 21<sup>st</sup> February 2014. The Landlord, Family Housing Association (Wales) 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 £90.96 pw.

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

## INSPECTION

3 The Property is a three bedroom end of terrace house located in a residential area between the Morriston and Llangyfelach areas of Swansea. Locally this area is known as Clase and comprises a large former local authority built estate. Ruggles Terrace is accessed through the Pinewood Estate, an area of private housing. Numbers 8 – 14 (evens) were built as prison officers' houses in the 1970's before being acquired by the current housing association owners. Opposite the Property, there is a small development of privately constructed houses and to the rear are the gardens of some local authority houses. There are limited local facilities - convenience stores and schools - but good shopping facilities are available at Morriston, Fforestfach and the Swansea Enterprise Park. There are two major employment centres nearby. The DVLA is within approximately 500 yards of Ruggles Terrace, and Morriston Hospital is approximately 2 miles away. There are good communication links to the M4 (junction 46), approximately 1 mile away, and there are good bus services available to Morriston and Swansea city centre from nearby Long View Road.

4 Numbers 8 to 14 (evens) comprise a terrace of 4 two storey dwellings. The two end walls of the terrace are built of cavity brick but there are solid brick party walls dividing the dwellings. The roof of the terrace is clad in concrete interlocking tiles. The ground floor front and rear walls are of single skin masonry construction, dry lined internally. The first floor appears to be timber framed, clad on the external skin with uPVC and dry lined to the internal face. Numbers 8 and 10 are divided on the ground floor by a shared walkway leading from the front to the rear. The first floor bedrooms are arranged so that the front bedroom of one house and the rear bedroom of the other are built over the walkway. The walls of the walkway are single brick, dry lined internally. The Property has a

small front garden and a good size rear and side garden. In the back garden there is an outhouse which is cut into the slope but which suffers from damp.

5 The Property, which has two double bedrooms and one single bedroom, is situated at the left-hand end of the terrace (as viewed from the road). The windows have uPVC frames but are single glazed. There is gas central heating and hot water provided by a back boiler installed in the living room. The Landlord has provided a limited range of basic, if somewhat dated, kitchen units and the white goods were provided by the Tenant. The Tenant has carried out some improvements. These include knocking down a kitchen wall, combining the toilet and the bathroom, providing artex to the living room ceiling and a garden patio. The Tenant had also supplied the curtains, blinds and floor coverings except in the bathroom. The Landlord installed the new toilet, bath and wash hand basin after the Tenant had combined the two rooms and also provided the shower unit. The ceiling in one of the bedrooms had been boarded and taped but not skimmed.

6 Mrs Williams told us that the Property was cold. She also complained of damp along the outside wall adjoining the walkway. She told us that the Landlord's officer had told her that this was due to condensation. However, in our view the cause of the problem is the construction of the wall and the lack of insulation. There was also condensation and mould in the kitchen on the wall adjoining the walkway.

## REPRESENTATIONS

7 As well as this application, the Tribunal had received similar applications in respect of numbers 10 and 14 Ruggles Terrace. The Landlord was a party in all three applications. A hearing had been requested for numbers 10 and 14. However, both parties had agreed that this matter should be determined on the papers without a hearing. In her representations dated the 15<sup>th</sup> May 2014, the Tenant states that the Property has suffered from damp in the kitchen, behind the kitchen cupboards for 10 years. She has to use small dehumidifiers to soak up the damp which she considers to be coming through the wall adjoining the walkway.

8 The Landlord argues, in its letter of the 25th March 2014 addressed to the Rent Officer, that it had requested an increase of the rent to £90.96 pw, but the increase allowed was only to a rent of £77.50 pw which was a shortfall of £13.46 pw equating to £699.92 pa plus any additional increase for the year 2015/2016. The proposed increase 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. We were not provided with any comparables by either party.

## CONSIDERATION

9 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 therefore matters which we are able to take into consideration.

10 Although we were to deal with numbers 10 and 14 Ruggles Terrace at a hearing and the Property (no 8) on the papers, each case is required to be considered separately. Points made at the hearing relating to numbers 10 and 14 have no bearing on this case and have not been considered.

11 Neither party had provided us with any comparables. We are, therefore, entitled to rely upon our own knowledge and experience of the property market. We are aware of two properties located nearby: Rheidol Avenue - £450 pcm (£103.85 pw); and Brangwyn Close £480 pcm (£110.77 pw). Brangwyn Close, with two bedrooms, appears to be more modern if somewhat smaller than the Property in an area of private housing. Properties in Brangwyn Close would be expected to achieve a higher rent than equivalent properties in Ruggles Terrace. The house in Rheidol Avenue is a three bedroom former local authority Council house, but is in our view in a lesser rental area than the Property.

12 We also have to consider the rental value disregarding any improvements which the tenant has made (see section 70(3)(b) of the Act). Not all improvements add to the rental value. For example, the lack of plaster on the ceiling could affect the rental value, though others would be a matter of personal taste. Again, some things may improve the Property but may not necessarily increase the rental value.

#### MARKET RENT

13 The Rent Officer had put the market rent for the Property, on the basis that it is in good repair, unimproved, with double glazing and with the white goods, floor furnishings and curtains provided by the Landlord, as would be expected in the open market, at £115.38 pw. In our view, this is a little on the high side. Generally, properties in the Pinewood estate would achieve higher rents than properties in Ruggles Terrace. We would also expect the Property to achieve a higher rental than the property in Rheidol Avenue (£103.85). Brangwyn Close (£110.77) has two bedrooms but is better located. However, the Property has three bedrooms, is in a quiet close and on a larger plot. Even discounting the improvements made by the Tenant (eg the artex, the combined bathroom and the removal of the kitchen wall), we consider on balance that the better location of Brangwyn Close is offset by the Property's other advantages. We therefore determine the market rent for the Property to be £110.00 pw.

#### ADJUSTMENTS

14 The Tenant has provided the kitchen appliances, most of the floor coverings as well as the curtains. Modern tenants would expect a modern kitchen as well as the white goods, floor coverings and curtains when taking on a tenancy. Perhaps most significantly, there is the condition of the Property. There are clearly problems. The lack of double glazing and the inadequate insulation causing damp and cold in the living room and condensation and mould in the kitchen are matters of concern. They affect the warmth and comfort of the Property and can cause serious health issues. Such matters are bound to impact upon the attitude of prospective tenants when viewing the Property. It would in our view have a substantial depreciating effect on the rental value. We therefore make the following adjustments:

For the provision of a basic kitchen and bathroom	£5.00 pw
For lack of floor coverings and curtains	£5.00 pw
For lack of double glazing and for condition	<u>£12.00</u> pw
TOTAL DEDUCTIONS	£22.00pw

We therefore determine that the adjusted market rent is £88.00 pw.

#### SCARCITY

15 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, affordability and mortgagability as well as the changes to housing benefits are all applying pressure on the rental market. Applying our own knowledge and experience, we are satisfied that there is a 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.

16 Accordingly, we have deducted £13.20 pw from the adjusted market rent to reflect this, making the fair rent for the Property £74.80 pw, say £75.00 pw.

#### MAXIMUM FAIR RENT

17 We are required to consider whether the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply. The existing rent, registered on the 2<sup>nd</sup> March 2012 was £70.00 pw. 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:

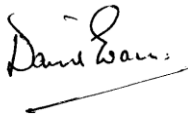
$$\text{Maximum Fair Rent} = \frac{\text{£70.00} \times (1 + \frac{14.9}{240.8} + 0.05)}{1} = \text{£77.83}$$

Rounding up to the nearest £0.50p, we assess the maximum fair rent to be £78 pounds per week. As this is more than the rent we have determined in paragraph 16 above, the Order does not apply in this case.

#### DECISION

18 We therefore determine the fair rent for 8 Ruggles Terrace, Morriston, Swansea SA6 7JB to be £75.00 pw.

DATED this 23<sup>rd</sup> day of July 2014



CADEIRYDD/CHAIRMAN