

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE
(HOUSING ACT 1988)

Reference: RAC/0030/03/17

Property: 18 Bro Dulas, Llanidloes, Powys, SY18 6RA

Landlord: Mid Wales Housing Association

Tenant: Ms. Samantha Teal

Committee: Chairman – Mr. Andrew Grant
Surveyor – Mr. Hefin Lewis

Decision

1. We were duly convened as a Rent Assessment Committee under the provisions of The Housing Act 1988. We met at number 18 Bro Dulas, Llangurig Road, Llanidloes, Powys, SY18 6RA (“The Property”) on the 16th October 2017.
2. The Landlord of the Property is Mid Wales Housing Association (“The Landlord”). The Tenant is Ms. Samantha Teal (“The Tenant”). The property is occupied pursuant to an Assured Periodic Tenancy Agreement which commenced on the 23rd March 2007.
3. By way of a letter dated the 14th February 2017 the Landlord notified the Tenant of the Landlord’s intention to increase the rent from £467.53 to £494.50 per calendar month to take effect from 1st April 2017.
4. On the 23rd March 2017, The Tribunal received an Application from the Tenant requesting that the Tribunal, sitting as a Rent Assessment Committee, determine a market rent for the property.
5. Prior to the hearing we attended at the property. The Tenant was present as was Mr. Charles Brotherton, on behalf of the Landlord.

The Inspection

6. The property is a semi - detached house forming part of a small mixed residential development on the outskirts of Llanidloes. Construction is of modern timber frame with brick and timber clad elevations. The roof is pitched and tiled.
7. The accommodation is arranged over two floors and comprises:

Ground floor – Hall, sitting room, dining room, kitchen, wet room with w/c, bedroom 4.

First floor – Landing, 3 bedrooms, bathroom with w/c.
8. The property benefits from mains electricity, water and drainage. Heating is from electric night storage heaters.
9. The general condition of the property appears consistent with its age and type of construction, but some works of repair and maintenance are required. Elements of the property are ageing and likely to require attention.
10. Condensation is prevalent throughout the property. This is attributable to inadequate thermal insulation and poor ventilation. Whilst insulation and double glazing do not meet current standards, the windows do contain trickle vents. Passive ventilation fitted to window frames can help to disperse humidity.

The Hearing

11. The matter had been listed for hearing at the Elephant and Castle Hotel, Broad Street, Newtown, Powys, SY16 2BQ.
12. The Tenant attended in person along with her brother, Mr. Mark Teal. The Landlord was represented by its finance director, Mr. Charles Brotherton.
13. The Committee satisfied itself that it had jurisdiction to deal with the matter. Accordingly, the only matter to be addressed was that of the correct market rent for the property on the basis that it was let in the open market by a willing landlord under an Assured Tenancy Agreement, disregarding those matters set out at s14 (2) (a) – (c) of the Housing Act 1988.
14. The Tenant's application contained a letter that set out the basis of the Tenant's complaints. The main thrust of the objections is that the property is old and the thermal insulation is inefficient. This resulted in heating bills far higher than are paid by occupiers of the more modern properties owed by the Landlord. The Tenant appended to her Application copies of her electricity bills over several periods. It was clear to see that the charges were higher than one might expect to see for electricity usage in a property of this size.

15. The Committee asked how often the heating was switched on and how long was it kept on. The Tenant said that she kept the use to an absolute minimum in order to reduce costs and said she used the heating “hardly at all”.
16. The Committee asked the Tenant what she thought the market rent for the property should be. She said that she had seen a property on the outskirts of Llanidloes which was £420 - £440 per month. She said that she did not have details but should have taken a picture on her phone.
17. The tenant submitted that in her view, given the extremely high heating costs due to the thermal inefficiency of the property, the rent should remain the same as it is.
18. Prior to the hearing the only evidence supplied by the Landlord was an undated letter which was received by the Tribunal on the 1st September 2017.
19. The letter was from Mr. Aidan Ackerman who is the Landlord’s Director of Customer Services.
20. The letter stated that the rent level proposed fell within the Local Housing Allowances set by the Welsh Government. He said that in his view, there was no apparent case to consider.
21. On behalf of the Landlord, Mr. Brotherton sought to introduce further evidence in the form of comparable properties and rental levels. After consideration, The Committee allowed the further evidence to be introduced.
22. Mr. Brotherton submitted that the correct market rental range was between £126.58 and £143.00 per week. This gives a monthly rent respectively of £548.51 and £620.00.
23. In his submissions he referred to two comparable properties namely, one in Llandrindod Wells which had a rent of £129 per week and another in Newtown which had a rental of £150 per week. The Committee noted that the latter figure fell outside the range indicated by Mr. Brotherton in his earlier evidence.
24. He went on to say that when setting rent levels, the Landlord had regard to the Local Housing Allowance levels set by The Welsh Government.
25. Mr. Brotherton submitted that the Landlord did not apply any differentials across different areas of Mid Wales as average earnings levels were the same throughout the region.
26. He also referred to a report which he had prepared for the Board of Mid Wales Housing Association headed “Annual Rent Setting Policy 2017”. He indicated that the rental levels set by the Landlord were lower than private market rentals in the area.

27. He indicated that the Association had tried to balance fairness between different types of property. This saw some properties rent increase while others remain static. This submission was challenged by Mr. Teal who said that he lived in a one bedroom flat but the rent was still going to be increased.
28. The Tenant said that in her view the report was not relevant as you were not comparing like with like. Her property was thermally inefficient. Mr. Brotherton responded that the Landlord charged a supplement for properties that had better energy efficiency.
29. That concluded the evidence.

The Law

30. In reaching our decision regard has been paid to the provisions of s13 and 14 of The Housing Act 1988.
31. S13 of The Housing Act 1988 requires that before increasing the rent the Landlord must serve a written notice of increase in the form prescribed by the regulations. The notice must be signed by the Landlord and served upon the Tenant.
32. In order to prevent the proposed increase taking effect the Tenant must make an application to the Tribunal in the prescribed form. The Application must be received by the Tribunal to determine the rent before the date specified in the notice as the effective date.
33. The rules governing how the Tribunal must determine the proposed rent increase are contained in s14 of The Housing Act 1988. We are required to consider the rent at which the property could reasonably be expected to be let in the open market by a willing landlord where the periods and terms of the tenancy are the same as the subject property (save for those relating to rent level).
34. The Tribunal is required to disregard any increase or decrease in the value of the property caused by improvements made by the tenant or any failures by the tenant to adhere to the terms of the tenancy.

Consideration of the evidence

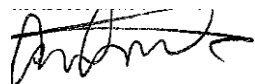
35. The Committee formed the view that the market value proposed by the tenant was too low in light of the available evidence.
36. The evidence submitted by the Landlord was nearer to the appropriate market rent. However, the Committee felt that the property relied upon by the Landlord in Llandrindod Wells was not all comparable due to its distance from the subject property.

37. Previous decisions of this Committee had found that 4-bedroom properties in Newtown attracted a market rent of £628 per calendar month.
38. However, Llanidloes is a smaller town, further afield than Newtown with a less buoyant economy. The Committee formed the view that this would have an effect upon the rent that could be demanded.
39. Sitting as an expert Tribunal and using its own knowledge and experience, the Committee determined that a 4-bedroom property in Llanidloes in good condition would attract a market rent of £580.90 per calendar month. This represents a deduction of 7.5% on the values of equivalent properties in Newtown.
40. The subject property did not have access to mains gas heating. This resulted in very high heating bills which the Committee felt would affect the rental value of the property.
41. Accordingly, sitting as an expert Tribunal and using its own knowledge and experience, a further deduction of 3% was applied to reflect the fact that this property would be less attractive to potential tenants than properties that were more thermally efficient.
42. This results in a market rent of £563.47 per month.

Decision

43. The Committee determines the rent to be £563.47 per calendar month effective from the 1st April 2017 being the date specified in the Landlord's notice.

Dated this 21st day of December 2017



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Andrew Grant
Chairman.