


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0007/06/15
Address of Premises 2 Briarhurst Thistleboon Mumbles Swansea SA3 4HE	The Committee members were Mr Paul Williams Mr Nick Hill FRICS	
(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.	£267 (two hundred and sixty seven pounds) per lunar 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.	4 th August 2015	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	nil	
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	nil	
(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>4th August 2015</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: £-		

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RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE
(Rent Act 1977)

Reference **RAC/0007/06/15**

Property: 2 Briarhurst, Thistleboon, Mumbles Swansea SA3 4HE

Landlord: Mr and Mrs K Foley

Tenant: Mr and Mrs C Sharples

COMMITTEE: Chairman P H Williams
 Surveyor NFG Hill FRICS

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

The Reference

We were duly convened as a Rent Assessment Committee on the 4th August 2015. We had before us a reference from the Rent Officer. The Tenants had appealed a fair rent of £266 a lunar month determined by the Rent Officer on the 6th May 2015, effective from the 3rd June 2015, the previous fair rent of £246 a lunar month having been registered on the 3rd June 2013.

The Inspection

Prior to the hearing we inspected the Property and we also had the opportunity of viewing the immediate locality. The Tenants were present at the Inspection. The Property was built circa 1920 and is a 2 bedroomed semi-detached bungalow built in brick with a spar dashed render and with a slate roof, having been sub-divided from a single dwelling. The accommodation comprised a living room, kitchen, bathroom and 2 bedrooms. There was an open hearth fireplace with a back boiler and there was a lagged immersion heater. The Property benefited from all main services, but there was no central heating system.

The Property was very small and the second bedroom was only large enough for a single bed. There was a good sized front garden and scenic views from its elevated position.

There is no vehicular access and the pedestrian access is poor. The pedestrian access leads from Thistleboon Road along a raised track which is a public footpath. The Property is some 150 yards from the road and includes about 44 steps. The track passes the Property which is accessed through a field gate into the garden. There is a certain lack of privacy as a result of

the route of the footpath, as the dwelling is close to the footpath. All deliveries to the Property are along this track and these include deliveries of coal and shopping. In practice the Tenants carry everything to the Property. The track continues past the Property and skirts a Caravan Park until it reaches Thistleboon Drive. The Caravan Park abuts the garden to the Property.

The Property is in a residential area but there are limited urban amenities. It is approximately one and a half miles from the small village of Mumbles and some 5 miles from the centre of Swansea.

The state of repair was satisfactory but there was evidence of spores which are likely to have arisen through condensation.

In 2014 the Landlords had fully rewired the Property and added extra power points at a cost of £1500. They had also relocated the gas and electricity services, including meters, at a cost of £5000. In 2012 the Landlords had laid new drains and sewage pipes at a cost of £1,500 and in 2012 had installed UPVC double glazing throughout at a cost of £4,500. In 2005 the Landlords had renewed the guttering, using their own labour. Some 30 years ago, the previous landlord had obtained an Improvement Grant and created an internal Bathroom comprising a bath, wash hand basin and water closet, and had created a window opening, had spar dashed rendered the exterior, overhauled the roof and replaced the valleys, and installed a Damp Proof Course.

The Tenants have lived at the Property for 41 years and had carried out a number of improvements. They had replaced the front door and an internal door, replaced the original bath, purchased two oil fired heaters, installed wall and kitchen units, replaced taps to the sinks in the bathroom and kitchen, laid paving slabs in the garden, purchased a Garden Shed, boxed in pipes in the kitchen, installed an outside light, replaced light fittings and laid loft insulation with the aid of a Grant. In accordance with Section 70(3) of the Rent Act 1977 we have disregarded these improvements in determining the fair rent.

Apart from these improvements the Tenants had attractively landscaped the garden, re-laid some hedges and repaired sections of the stone boundary wall.

The Hearing

The hearing was held at the Waterfront Community Church in Swansea and was attended by both parties. We took oral evidence and also considered the written representations of the parties.

Mr Sharples said that an increase of 8% was unacceptable, both in relation to the costs incurred by the Landlords and because of the currently low inflation figures. He took the view that because the Landlords and their predecessors had largely neglected the Property for decades, then the works carried out were not improvements but essential repairs. He also stated that the relocation of the services and meters in 2014 was to enable the Landlords to sell 1 Briarhurst and that the cost of same should be disregarded. The meters had previously been situated in the cellar to 1 Briarhurst. He confirmed the position

regarding the access and stated that he and his wife had to carry everything to the Property as suppliers were reluctant to deliver. The Landlords disputed this and said that when they were living at 1 Briarhurst they used to arrange for deliveries to be made. However, Mr Foley did say that when he extended 1 Briarhurst he had hauled all the materials to the site.

Mr Sharples confirmed the correctness of the improvements carried out by him and his wife. He added that because of the poor access it will become increasingly difficult for them to live at the property. He also said that although he accepted that the guttering had been replaced the fascia was the original. Finally, he stated that the list of comparable properties provided by the Rent Officer was meaningless without knowing the addresses and whether or not they had central heating.

Mrs Foley said that she considered an increase of £5 a week to be reasonable, particularly as they had fully rewired the Property. She accepted that the meters were relocated to enable them to sell 1 Briarhurst, but pointed out that the Tenants benefited by having their own meters within their curtilage. She confirmed the correctness of the works carried out by her and her husband and their predecessors. She said that whilst there was a steep access to the property she had enjoyed living there because of the superb views. Finally, she stated that the Rent Officer's comparables showed the evidence of the open market rental values in the locality.

Our Findings

We considered the Tenants' arguments that because inflation is low then any rent increase should be modest, that the rewiring was a necessity and should not be considered an improvement, and that the meters and services were only relocated because of the Landlords' wish to sell. The approach that we must take is to consider what is the market rent, and to make certain assumptions, and then to adjust if those assumptions are not met for the Property. This is more fully explained under the heading of DECISION. We are not directly concerned with the rate of inflation, although this will automatically be reflected in market rents. We also do not take account of the necessity for works undertaken by landlords. What we do take account of is the fact that the wiring is now in good order, and again this is reflected in the market rent. A similar approach was taken regarding the meters. The fact is that there are now separate meters within the curtilage which is clearly better than being in the adjoining cellar. Accordingly, the reason for the work being done is not material. We do, however, agree with the Tenants that the list of comparable properties suggested by the Rent Officer can only be a guide. We do not know the properties involved, other than their general location and nor do we know whether they are the same size. Accordingly, we have relied on our own judgment and experience in determining the fair rent. The Tenants' written representations do refer to personal circumstances on occasion, which we are obliged to disregard. The other representations have been addressed in this decision

Market Rent

We note that the Rent Officer has adopted an open market rental value of £420 a lunar month, which is towards the lower end of the range of £396.24 to £549.24 which she has identified. However, the Property is very small indeed, and is only heated by an open hearth, back boiler and immersion heater. Furthermore, there is no central heating system. We concluded that the open rental market should be towards the bottom end and we determine that the open market rental value is £400 a lunar month, and that there should be a further adjustment, as provided for by the Rent Officer, for the poor access. The Rent Officer has adjusted by an allowance of £40 per lunar month. We accept that this is a difficult adjustment to quantify as whilst some tenants will be attracted by the location, there will be a proportion who would be discouraged, particularly if companies are not prepared to make deliveries, as indicated by the Tenants. We are faced, however, by the counter evidence of the Landlords, who stated that they had received deliveries. We have concluded that whilst some companies might refuse there will be others who will deliver.

We determine that the appropriate adjustment shall be £25 a lunar month

Responsibilities for Repair

In accordance with Section 11 of the Landlord and Tenant Act 1985 the Landlords are responsible for exterior repairs and decoration and the Tenants are only responsible for internal decoration

Scarcity

We agree with the Rent Officer that there is a level of scarcity in the Mumbles area. However, the Property is unusual in that it is very small and has poor access and with limited amenities in the immediate vicinity, and yet has exceptional scenic views. We accordingly determine that the scarcity element shall be set at 10%, rather than the 14% assessed by the Rent Officer. In accordance with Section 70 (2) of the Rent Act 1977 we have disregarded this element in determining the fair rent.

Decision

The Property is a small semi-detached bungalow in reasonable condition situated in an elevated position with scenic views and in a residential area. It has two bedrooms, and the second bedroom is particularly small. We have determined that the open market rental value of the Property is £400 a lunar month, but on the assumption that it is in good repair, has central heating, double glazing, a modern kitchen and bathroom, and is fitted with carpets and curtains.

Accordingly, we have made deductions for the absence of a modern Bathroom and Kitchen which, prior to the Tenants' improvements, only had a sink, no central heating system nor fitted carpets and curtains, and which has a poor access

Our calculation is as follows :-

Market Rent		£400.00
Less adjustments		
Lack of central heating	£40.00	
Lack of carpets and curtains	£28.00	
Basic Kitchen and Bathroom	£10.00	
Poor access	<u>£25.00</u>	<u>103.00</u>
Adjusted Market rent		£ 297.00
Deduct for Scarcity at 10%		<u>29.70</u>
Fair Rent		<u>£267.30</u>
	SAY	<u>£267.00p</u>

Maximum Fair Rent

We then considered the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 and found that it did not apply

Fair Rent

We accordingly determine that the Fair Rent for the Property is £267.00p a lunar month, exclusive of rates.

It is recorded that this Committee made its decision on the 4th August 2015

DATED this 12th day of August 2015



Chairman

