


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0012/12/17
Address of Premises Llys Ael-y-bryn 311 Gorseinon Road Penllergaer Swansea SA4 9AH	The Committee members were S. Povey P. Tompkinson	
(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.	114.91 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.	28 th March 2018	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	16.81	
(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>28th March 2018</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
RENT ASSESSMENT COMMITTEE
(Rent Act 1977)

Reference: RAC/0012/12/17

Property: Llys Ael-y-bryn, 311 Gorseinon Road, Penllergaer, Swansea SA4 9AH

Landlord: Family Housing Association (Wales) Limited

Tenant: Mrs M Taylor

COMMITTEE: S. Povey
P. Tompkinson

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

The registered rent for Llys Ael-y-bryn, 311 Gorseinon Road, Penllergaer, Swansea SA4 9AH is determined at £114.91 per week.

The registration of the rent takes effect from 28th March 2018.

Background

1. The Applicant, Family Housing Association (Wales) Limited ('FHA') is the landlord of Llys Ael-y-bryn, 311 Gorseinon Road, Penllergaer, Swansea SA4 9AH ('the property'). The tenant and Respondent is Mrs Taylor. The tenancy of the property began on 11th September 2017. Mrs Taylor transferred to the property from a previous FHA tenancy which began in 1984. The tenancy is therefore a secure tenancy pursuant to the Housing Act 1985 (the landlord being a housing association and the chain of tenancies between FHA and Mrs Taylor having continued unbroken since before the advent of the assured regime in February 1989). By virtue of sections 86 and 87 of the Rent Act 1977, the fair rent regime applies to this tenancy.
2. On 5th October 2017, FHA applied under s.67 of the Rent Act 1977 for the first registration of a fair rent. FHA sought a rent of £115.15 per week. Pursuant to that application, the rent officer registered a rent of £91 per week effective from 20th November 2017.
3. By a letter dated 4th December 2017, FHA objected to the rent officer's determination. By reason of Paragraph 6, Schedule 10 to the Rent Act 1977, the rent officer referred the matter to the Rent Assessment Committee of the Residential Property Tribunal ('the Tribunal').

The Inspection

4. The Tribunal inspected the property on 28th March 2018 in the presence of Mrs Taylor and Mr and Mrs Russell (her son and daughter-in-law). There was no attendance by FHA.
5. The flat is a unit within a recently constructed purpose built block. The building has red face brickwork elevations and sits under a series of pitched tiled roofs. The flat is situated on the third floor of the building and the accommodation comprises 2 bedrooms, a bathroom, living room and kitchen all accessed off a central corridor. The flat has a voice entry security system, double glazing and central heating. The flat is well maintained and well appointed.
6. Following the inspection, the Tribunal convened to the Gorseinon Institute for the hearing. Lisa Rees attended on behalf of FHA and Mr and Mrs Russell attended on behalf of Mrs Taylor. The Tribunal was helpfully provided with further information and evidence for all three attendees.

The Law

7. Section 70 of the Rent Act 1977 sets out the factors to be considered when determining a fair rent. In particular, and of relevance to this application, we are required to have regard to the age, character, locality and state of repair of the property.
8. At the same time, s.70 requires us to disregard:
 - 8.1 The personal circumstances of the parties ;
 - 8.2 Any disrepair or other defect attributable to a failure by Mrs Taylor under the terms of the tenancy;
 - 8.3 Any improvements carried out by Mrs Taylor, other than as required under the tenancy
- 9 We must also assume that the number of people seeking to become tenants of similar properties in the area on terms identical to Mrs Taylor's tenancy (save as to rent) is not substantially greater than the number of such properties which are available to rent on such terms. In other words, we must make certain assumptions regarding scarcity and demand.
- 10 In addition, further regulation of Rent Act rents is provided by the Rent Acts (Maximum Fair Rent) Order 1999 ('the Maximum Fair Rent Order'), which places a cap on the permissible amount of the increase of a fair rent between one registration and the next. The cap is based upon the amount of increase in the Retail Prices Index between the dates of the two registrations. However, as this was an application for first registration, the provisions of the Maximum Fair Rent Order did not apply (although they would do on any subsequent registration).
- 11 By virtue of section 72 of the Rent Act 1977, the registration of the rent takes effect from the date when the Tribunal reached its decision.

Findings of Fact & Conclusions

- 12 The starting point in assessing a rent under s.70 Rent Act 1977 is to establish the market rent for the property. To that rent, a number of adjustments are made, to reflect the requirements of s.70.
- 13 The rent officer had had regard to a range of rents for two-bedroom flats in the SA4 postal area but we were not provided with the addresses of these properties. The rents considered by the rent officer ranged from £92 to £122 per week. Based upon that evidence, the rent officer set the market rent for the property at £106.15 per week.
- 14 Ms Rees provided the Tribunal with further evidence of comparable properties for rent in the locality. These included two properties for rent in Gorseinon both at £121 per week. Using our own skill and expertise, the Tribunal were of the view that there was a greater demand for properties in Penlleger than the immediate surrounding areas. This would result in higher market rents for comparable properties. Having regard to the size and location of the property, we disagreed with the rent officer's evaluation. In our view, that figure was closer to the upper end of the evidence available and determined that a realistic market rent for the property was £119 per week.
- 15 The Tribunal's market rent assessment also allowed for a more realistic adjustment for scarcity (as explained below).
- 16 We would expect carpets and curtains to usually be provided by the landlord in a rented property and therefore deduct £10 from the market rent, to reflect this (and the size of the property).
- 17 The overall condition of the property was good, with central heating and double glazing provided by FHA. Whilst the bathroom was small and without a window, it was neither basic nor out of step with similar property developments. The kitchen was also of a standard condition. As such, we did not believe any further deductions from the market rent were justified.
- 18 We were satisfied that there is a degree of scarcity for this type of property, given its location in Penlleger. The rent officer's assessment had applied an adjustment of 10% for scarcity but his market rent was based upon a broader geographic catchment area (which included properties in areas with lower demand and lower rents than Penlleger). As explained above, by focusing our

market rent findings on Penlleger, the Tribunal felt more able to justify the 10% adjustment for scarcity, which we duly applied.

19 However, as explained during the hearing, the Tribunal would have been greatly assisted if FHA (as a large-scale social landlord) had been able to provide greater evidence as to scarcity, in particular the details and numbers of comparable properties currently available for rent in the area. We would urge them (and similar landlords across Wales) to do more in future to obtain and adduce such evidence.

20 No issues were taken by the rent officer or the parties as to the amount of the service charge under the tenancy agreement (£16.81 per week). For reasons which were not explained, the rent officer applied the scarcity adjustment to the service charge (effectively reducing it by 10%). The figure was not disputed by the rent officer and there was no basis to change it. Any charge for services is not part of the fair rent determination under section 70 of the Rent Act 1977. Rather, it is added to the fair rent when the same is registered (per section 71(1) of the Rent Act 1977). As such, our calculation did not change the service charge in any way.

Calculations

21 Applying our findings and conclusions, we determined the rent as follows:

Market Rent	£	£
		119.00
Less Adjustments (if appropriate)		
Lack of Central Heating	0.00	
Carpets/Curtains	10.00	
Basic Kitchen/Bathroom Condition	0.00	0.00
Double Glazing	0.00	
Other (specify)	<u>0.00</u>	
	<u>10.00</u>	
Adjusted Market Rent		109.00
Deduct for Scarcity	10%	<u>10.90</u>
Fair Rent (excl services)		98.10
Add services (if any)		16.81
Fair Rent (to nearest 50p)		114.91

Conclusion

22 The fair rent for the property is therefore 114.91 per week.

23 The registration of the rent takes effect from 28th March 2018, the date we reached our decision.

DATED this 13th day of April 2018



S A POVEY
CHAIRMAN