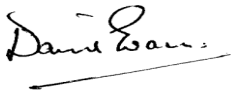


Rent Assessment Panel for Wales

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| Notice of the Rent Assessment Committee Decision | | File Reference Number: RAC/0032/10/14 |
| Address of Premises 59 Elm Street Aberbargoed Bargoed CF81 9FB | The Committee members were D J Evans LLB LLM R W Baynham 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. | £78.50 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. | 15 th December 2014 | |
| (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: 15 th December 2014 | 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/0032/10/14

Property: 59 Elm Street, Aberbargoed, Bargoed, CF81 9FB

Landlord: United Welsh Housing Association Ltd

Tenant: Mrs S Bills

Committee: D J Evans LLB LLM
R W Baynham FRICS

INTRODUCTION

1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 15th December 2014. We had before us a reference from the Rent Officer in respect of 59 Elm Street, Aberbargoed, Bargoed CF81 9FB (the Property). The Rent Officer had registered a fair rent of £81.50 per week on the 8th September 2014. The Landlord, United Welsh Housing Association 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 £93.59 per week.

2 Before considering the matter, we visited the Property. The Tenant, Mrs S Bills, attended and we were able to inspect both internally and externally. The Landlord did not attend.

INSPECTION

3 The Property is a three bedroom mid-terrace house located in a residential area known as Aberbargoed. It was constructed approximately 100 years ago as a cottage for mine workers and their families. The house was substantially renovated by the Landlord approximately 5 years ago. It has spa rendered, solid walls at the front and back, uPVC doors and windows and a tiled roof incorporating solar panels. There is double glazing and central heating throughout. The Tenant has provided the white goods and the floor coverings, except in the kitchen and bathroom, as well as the curtains. The Property has a long rear south facing garden with a lane at the back. The houses in the immediate terrace are similar in style. There are some locally based facilities for shopping nearby as well as both Welsh and English primary schools with more shops and transport links a short distance away in Bargoed.

4 Downstairs, the Property has a through living room. A sloping roof extension houses the kitchen, with units provided by the Landlord, and a bathroom from which is accessed a separate toilet. The bathroom has been adapted to accommodate a person with a physical disability. The walk-in shower will not appeal to many prospective tenants and may well serve to diminish the overall rental value. Upstairs, there are three bedrooms: a double bedroom at the front of the house, a smaller $\frac{3}{4}$ size bedroom and a single bedroom. The house was generally in good condition,

although the Tenant referred us to the problem she encountered in heavy rain which tended to flow over the side of the sloping roof of the extension directly outside the back door.

REPRESENTATIONS

5 The Landlord argues, in its representations of the 21st October, 2014 that it is charging £85.21 per week elsewhere in the street for properties of a similar size. The Tenant made no representations.

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.

MARKET RENT

7 Neither party has provided us with any comparables. We do not know the identity of the properties to which the Landlord refers in its representations. We must, therefore, rely upon our own knowledge and experience of the property market. The list of rentals provided by the Rent Officer, whilst not too specific, gives some indication as to the rental values of properties in the CF81 8 and CF81 9 post code areas. It is noticeable that the rents in CF81 8 are generally higher (£450 to £550 per calendar month) than those in CF81 9 (£375 to £425 per calendar month). From our inspection we were aware that there were some properties for rent in the private market in Elm Street with asking rents in the region of £400 per calendar month (£92.31 per week). The Rent Officer's figure is £99.23 per week. In our view, this is a little on the high side giving too much weight to the rents achieved in the CF81 8 post code area.

8 From our inspection, it was evident that properties in the nearby streets, some with better rear access and open views, would achieve higher rents than properties in Elm Street. However, we must take account of the fact that the Property is in good condition and would, ignoring the issue of the bathroom, be an attractive rental proposition for those requiring a three bedroom house. In our view the market rent for the Property would be £95.00 per week on the basis that it contained a more user friendly bathroom and with floor coverings and curtains provided by the Landlord as are generally expected in the market. We appreciate that the white goods have been provided by the Tenant, but in our experience, more properties are being let on the basis that the tenant provides and maintains his/her own cooker, washing machine and fridge. We have therefore made no reduction in respect of white goods.

ADJUSTMENTS

9 The Tenant has provided the floor coverings (except for those in the kitchen and bathroom) as well as the curtains. The bathroom, whilst acceptable for those with a disability, would not be suitable for a small family and is bound to impact upon the attitude of prospective tenants when viewing the Property. Whilst we appreciate that the rain water overflowing from the kitchen extension is a nuisance and needs to be rectified, we do not consider that this would impact on the rent achievable in the open market. We therefore make the following adjustments:

| | |
|--|-----------------------|
| For lack of a convenient bathroom | £3.00 per week |
| For lack of floor coverings and curtains | <u>£5.00 per week</u> |
| TOTAL DEDUCTIONS | £8.00 per week |

We therefore determine that the adjusted market rent is £87.00 per week.

SCARCITY

10 We are required by the 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 the wider Rhymney valley area. We are satisfied on the basis of our own knowledge that there is a shortage of rented accommodation available at the present time. Although there are a few houses to let near the Property, in the wider area there is nonetheless a shortage with downsizing, affordability and mortgageability all applying pressure on the rental market. This is more so in the case of 2 bedroom houses than with 3 bedroom houses where rents locally are adjusting to reflect the market conditions. Social housing is still very much in demand no doubt aided by the fact that rents are generally lower than in the private sector. The rent officer has adjusted the market rent by 10% to take the scarcity into account. We agree with that figure. It recognises the fact that over the wider area there is a shortage of properties such as this for rent, but also that more locally there are some properties available with rents being lowered slightly to take into account the market conditions. Applying our own knowledge and experience, we are satisfied that there is still a fairly strong demand for properties of this type in the wider Rhymney Valley wider area. We therefore conclude that it is appropriate to reduce the adjusted market rent by 10% to take this scarcity into account.

11 Accordingly, we have deducted £8.70 per week from the adjusted market rent to reflect this, making the fair rent for the Property £78.30 per week, say £78.50 per week.

MAXIMUM FAIR RENT

12 We are required to consider whether the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply. The existing rent, registered on the 16th July 2012, was £77.50. The Retail Prices Index (RPI) published for July 2012 was 242.1. The RPI published in November 2014 was 257.7. The relevant increase in the RPI was 15.6. 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:

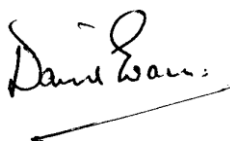
$$\text{Maximum Fair Rent} = \frac{\text{£}77.50 \times (1 + \frac{15.6}{242.1} + 0.05)}{1} = \text{£}86.37$$

We round this figure up to £86.50. However, as this is more than the fair rent we have determined, the Maximum Fair Rent provisions do not apply.

DECISION

13 We therefore determine the fair rent for 59 Elm Street, Aberbargoed, Bargoed CF81 9FB to be £78.50 per week.

DATED this 21st day of January 2015



CADEIRYDD/CHAIRMAN