


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0025/06/14 Phillips Parade
Address of Premises Flat 1, 24 Phillips Parade Swansea SA1 4JL	The Committee members were S. Povey P. Lucas	
(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.	£69.00 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.	11 th September 2014	
(3) The rent is 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>11th September 2014</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: £72.50		

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RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE
(Rent Act 1977)

Reference: RAC/0025/06/14 Phillips Parade

Property: Flat 1, 24 Phillips Parade, Swansea, SA1 4JL

Landlord: Coastal Housing Group

Tenant: Mr M. Gough

COMMITTEE: S. Povey
P. Lucas

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

The registered rent for Flat 1, 24 Phillips Parade, Swansea SA1 4JL is determined at £69 per week.

The registration of the rent takes effect from 11th September 2014.

Background

1. The Applicant, Michael Gough is the tenant of Flat 1, 24 Phillips Parade, Swansea SA1 4JL ('the property'). The landlord and Respondent is Coastal Housing Group ('CHG'). The tenancy of this property began on 24th October 1988 and is therefore a secure tenancy pursuant to the Housing Act 1985 (the landlord being a housing association and the tenancy having been entered into 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 13th May 2014, CHG applied under s.67 of the Rent Act 1977 for registration of a fair rent. The rent had been £62 per week since the last registration in July 2012. CHG sought a new rent of £72.22 per week.
3. Pursuant to that application, the rent officer registered a rent of £68.50 per week effective from 11th July 2014.
4. By a letter dated 8th June 2014, Mr Gough 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').

5. The Applicant was content for the matter to be determined without a hearing. CHG also confirmed that it was similarly content for the matter to be determined without a hearing.

The Inspection

6. The Tribunal inspected the property on 11th September 2014 in Mr Gough's presence. There was no attendance by CHG.
7. The property comprises a ground floor flat in a two storey mid-terraced dwelling house which incorporates further accommodation on the attic floor. Phillips Parade is set in an established mainly residential area in the City of Swansea within easy walking distance of neighbourhood shopping amenities and benefiting from reasonable public transport access to the main city centre. Adjoining properties comprise individual and multi occupancy residential dwellings and there are also modern two and three storey blocks of self-contained apartments nearby.
8. 24 Phillips Parade is of a late Victorian design being of traditional solid brick and stone construction with a pebble dash rendered front elevation, and smooth rendered rear elevation. The main roof is slate and incorporates a feature gable window to the fore. To the rear of the property is a single storey smooth rendered cavity block extension with flat mineral felt roof covering. This extension forms part of the ground floor apartment. The ground floor apartment has Upvc double sealed windows throughout, with single glazed timber framed double French doors opening to the rear of the dining room.
9. The building is divided into two units and incorporates a shared entrance porch and entrance hall on the ground floor. The private accommodation serving Flat 1 is approached from the entrance hall and comprises:

Private Hall – a relatively dark area with central heating radiator, airing cupboard housing a gas fired combination boiler – (recently installed,) access to a cellar.

Sitting room (front)

3.8m x 3.8m

Enjoying a sunny aspect with double sealed window to the fore, radiator, fitted open gas fire, coved ceiling.

Dining room (rear)

3.3m max x 3.2 m max

Single glazed French doors opening to the rear, coved ceiling, radiator.

Bathroom

2.5m x 1.56m

A recently refurbished modern bathroom with panel bath incorporating shower attachment, pedestal hand basin and low flush wc., part laminate finish floors, radiator, double sealed window to the side.

Kitchen/Dining room

5.6m x 2.6m

Upvc double sealed rear entrance door, radiator, gas cooker point, double sealed rear window, single drainer stainless steel sink unit, extensive fitted base units with matching wall cupboards. Mr Gough advised that CHG installed the fitted work surfaces and single drainer stainless steel sink unit whilst the base carcasses and matching wall cupboards were installed by him.

Outside

To the front of the property is a small forecourt with solid base whilst at the rear is a further small walled in courtyard. Both occupiers of 24 Phillips Parade have shared use of the communal exterior.

Services

All mains services connected. Gas fired central heating.

Condition

10. Although no detailed survey was undertaken, at the time of inspection it was noted that there was significant damp penetration in the rear and flank external walls of the kitchen. CHG is aware of this fault which is incorporated into a planned programme of repair. Mr Gough has maintained the internal decoration in good order. The inspection revealed that the inner hallway serving the flat was dark and also part of the rear court area suffered from a lack of natural light as a result of the construction of a higher storey building immediately adjacent.
11. Mr Gough informed the Tribunal that all the furnishings, curtains and blinds were provided by him, as was most of the flooring.
12. Following the inspection, the Tribunal convened to consider its decision. Neither party chose to attend the said hearing.

The Law

13. 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.
14. At the same time, s.70 requires us to disregard:
 - 14.1. The personal circumstances of the parties ;

- 14.2. Any disrepair or other defect attributable to a failure by Mr Gough under the terms of the tenancy;
 - 14.3. Any improvements carried out by Mr Gough, other than as required under the tenancy
15. We must also assume that the number of people seeking to become tenants of similar properties in the area on terms identical to Mr Gough'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.
16. 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.
17. 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

18. 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.
19. The rent officer had had regard to a range of rents for one bedroom, self-contained, converted flats in the SA1 postal area but we were not provided with the addresses of these properties. The rents ranged from £65 to £110 per week. Based upon that evidence, the rent officer set the market rent for the property at £92.31 per week.
20. The Tribunal was aware of a previous Rent Act decision of 2nd July 2014 regarding 34b Glantawe Street, Morriston, Swansea, SA6 8DB, a first floor self-contained converted flat. The market rent had been assessed at £100 per week.
21. Using our own skill and expertise, and having regard to the size and location of the property, we disagreed with the rent officer's view that £92.31 per week was a realistic market rent for this property. But we also felt that £100 per week was too high. The Tribunal was struck by the lack of light in the hallway and kitchen/dining room of the property, which we concluded would be reflected in a market rent. We concluded that £95 per week was a more realistic market rent.
22. We would expect carpets and curtains to usually be provided by the landlord in a rented property and therefore deduct £5 from the market rent, to reflect this.

23. The overall condition of the property was fair, with central heating and double glazing provided by CHG. As recorded, the kitchen units had been installed by Mr Gough and we deducted a further £5 to reflect this.
24. We have made no deduction for the damp in the kitchen. This is being addressed by OHG. Work stopped in December 2013 at Mr Gough's request because the dust from the work was at risk of compromising medical treatment he was undergoing for his eyes. It is anticipated that the work will recommence in about nine months. The continuing existence of the damp was not, in the Tribunal's opinion, something which we could fairly take into account since its continued existence was for reasons beyond OHG's control (and for which, had it not suspended work at Mr Gough's request, it could have been open to criticism).
25. We are satisfied that there is a degree of scarcity for this type of property, given its proximity to Swansea city centre and the university. As such, we made an adjustment of 15% to reflect this.

Calculations

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

		£	£
Market Rent			95.00
Less Adjustments (if appropriate)			
Lack of Central Heating		0.00	
Carpets/Curtains		5.00	
Basic Kitchen/Bathroom		5.00	
Condition		0.00	
Double Glazing		0.00	
Other (specify)		<u>0.00</u>	
		<u>10.00</u>	
	Adjusted Market Rent		85.00
Deduct for Scarcity	15%	<u>12.75</u>	
Fair Rent (excl services)			72.25
Add services (if any)			0.00
	Fair Rent (to nearest 50p)		72.50

27. Under the Maximum Fair Rent Order, the capped fair rent is £68.65 per week, say £69 per week. As the rent we have determined exceeds the maximum fair rent, the Order applies.

Conclusion

28. The fair rent for the property is therefore capped £69 per week.

29. The registration of the rent takes effect from 11th September 2014, the date we reached our decision.

DATED this 25th day of September 2014

A handwritten signature in black ink, appearing to read 'S A Povey', with a horizontal line underneath.

S A POVEY
CHAIRMAN

