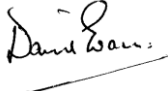


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0004/04/14 St Helens Road
Address of Premises 123 St Helens Road St Helens Swansea SA1 3UN	The Committee members were D. J. Evans LLB LLM P Tompkinson BSc MRICS	
(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.	£85.00 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.	9 th July 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: <u>9th July 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: £92.00 per week		

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL

DECISION OF THE RENT ASSESSMENT COMMITTEE
(RENT ACT 1977)

Reference: RAC/0004/04/14

Property: 123 St Helen's Road, Swansea, SA1 3UN

Landlord: Family Housing Association (Wales) Ltd

Tenants: Mrs M Mayes and Mr P and Mrs J Williams

Committee: D J Evans LLB LLM
P Tompkinson BSc MRICS

INTRODUCTION

1 We convened as a Rent Assessment Committee under the provisions of the Rent Act 1977 on the 9th July 2014. We had before us a reference from the Rent Officer in respect of 123 St Helens Road, Swansea SA1 3UN (the Property). The Rent Officer had registered a fair rent of £84.00 per week on the 25th February 2014. The Landlord, Family Housing Association (Wales) 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 £100.98 pw.

2 Before considering the matter, we visited the Property. The Tenants, Mrs M Mayes and Mr P and Mrs J Williams, were initially present and we were shown around the Property by Mr Williams. We were therefore able to inspect both internally and externally. The Landlord did not attend.

INSPECTION

3 The Property is a three bedroom three storey mid-terrace house located in a residential area of Swansea. It was constructed approximately 100 years ago. It is close to the sea front, the Guildhall, the Brangwyn Hall and convenient for the city centre. The front of the house is rendered with decorative brickwork and is spa rendered at the back. It has uPVC doors and windows and a tiled roof. There is double glazing and central heating throughout except for the living room where there is a gas fire with a back boiler. The floor coverings and the curtains have been provided by the Tenant. The Property has a small front garden and a modest rear garden. The houses in the immediate terrace are similar in style.

4 Downstairs, the Property has a front living room with a bay window, a middle room, and a large kitchen with very old, dated units for which the Tenants have provided the plinths. The Tenant has provided the white goods. There has clearly been a leak in the kitchen as the ceiling has been repaired with no attempt to blend the repair into the rest of the ceiling. Next to the kitchen is a small lobby leading to a downstairs toilet with a wash hand basin. Upstairs, there are three bedrooms. There is a small area of damp in one of the bedrooms. The upstairs basic bathroom is old and functional with no shower and with a small area of tiling installed by the Landlord. Some of the plaster work was cracked in the living room and in one of the bedrooms. There is one room on the top floor, but in our view this could not be regarded as a habitable bedroom. The pitched ceilings

would prevent anyone other than a small child being able to stand comfortably in the room and we were uncertain as to how a prospective tenant would view the access bearing in mind current safety regulations.

REPRESENTATIONS

5 The Landlord argues, in its letter of the 25th March 2014 addressed to the Rent Officer, that it had requested an increase of the rent to £100.98 pw, but the increase allowed was only to a rent of £84.00 pw which was a shortfall of £16.98 pw equating to £882.96 pa plus any additional increase for the year 2015/2016. The proposed increase was consistent with the rents of comparable properties in the area and in line with the benchmark rents for assured properties for the current year. The disparity would have an adverse effect on the Landlord's finances. We were not provided with any comparables by either party.

6 In his representations received by the Tribunal on the 16th May 2014, Mr Williams states that the increase requested was not fair.

CONSIDERATION

7 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. We cannot therefore take into account the fact that the rent is lower than the benchmark rent nor can we consider its potential effect on the Landlord's finances.

MARKET RENT

8 Neither party had provided us with any comparables. The list of rentals provided by the Rent Officer is none too specific, and gives no more than an indication of rents in the general area - between £40 pw and £190.38 pw. We are, therefore, entitled to rely upon our own knowledge and experience of the property market. The Rent Officer's figure is £115.38 pw less £5.00 pw for age, character, location and repair. This gives a figure of £110.38 pw. We are aware of two properties in Seaview Terrace: a two bedroom terrace house at £450 pcm (£103.85pw); and a three bedroom property at £595 pcm (£137.31pw). The latter is perhaps the more significant, although Seaview Terrace would generally command a higher rental. In our view the market rent for the Property would be £121.00 pw for a three bedroom property with a modern kitchen and bathroom and with white goods, floor coverings and curtains provided by the Landlord as are generally expected in the market.

ADJUSTMENTS

9 The Tenant has provided the kitchen appliances, most of the floor coverings as well as the curtains. Such matters, as well as the basic bathroom and the basic, dated kitchen units and the poor repair in the kitchen, are bound to impact upon the attitude of prospective tenants when viewing the Property. They would in our view have a depreciating effect on the rental value. We therefore make the following adjustments:

For the provision of a basic kitchen and bathroom	£5.00 pw
For lack of floor coverings and curtains	£6.00 pw
For lack of repair	<u>£2.00 pw</u>
TOTAL DEDUCTIONS	£13.00 pw

We therefore determine that the adjusted market rent is £108.00 pw.

SCARCITY

10 We are required by the Rent 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 Swansea and the wider area. We are satisfied on the basis of our own knowledge that there is very little in the way of rented accommodation available at the present time over the wider area. Properties are generally not on the market for long. Social landlords have insufficient properties available to fulfil the area's housing needs. Of course, the demand for social housing will be higher as the rents are generally lower than in the private sector, but downsizing, affordability and mortgagability are all applying pressure on the rental market. Applying our own knowledge and experience, we are satisfied that there is still a strong demand for properties of this type in Swansea and the wider area. We therefore conclude that it is appropriate to reduce the adjusted market rent by 15% to take this scarcity into account.

11 Accordingly, we have deducted £16.20 pw from the adjusted market rent to reflect this, making the fair rent for the Property £91.80 pw, say £92.00 pw.

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 9th March 2012 was £76.00. The Retail Prices Index (RPI) published for March 2012 was 240.8. The RPI published in June 2014 was 255.9. The relevant increase in the RPI was 15.1. 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:

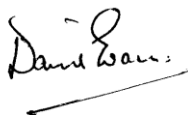
$$\text{Maximum Fair Rent} = £76.00 \times \left(1 + \frac{15.1}{240.8} + 0.05\right) = £84.57$$

Rounding up to the nearest £0.50p, we assess the maximum fair rent to be £85.00 pounds per week.

DECISION

13 We therefore determine the fair rent for 123 St Helen's Road, Swansea SA1 3UN to be £85.00 pw.

DATED this 31st day of July 2014



CADEIRYDD/CHAIRMAN