

Y Tribiwnlys Eiddo Preswyl

Residential Property Tribunal Service (Wales)

DECISION AND REASONS OF RENT ASSESSMENT COMMITTEE Housing Act 1988 s.13

Premises:	25 Maes Yr Ehedydd, Carmarthen, SA313GB ("the premises")
RPT ref:	RAC/0039/0319
Inspection:	24th June 2019
Applicant:	Mark Davies (Tenant)
Respondents:	Coastal Housing (Landlord)
Tribunal:	Mr JE Shepherd – Judge Chairman Mr D Evans FRICS - Surveyor member

DECISION ON APPLICATION REFERRING A NOTICE PROPOSING A NEW RENT UNDER AN ASSURED PERIODIC TENANCY

Background

1. On 21st February 2019 the landlord sent a letter to the tenant notifying him that from 1st April 2019 his rent would be increasing to £101.12 per week, which constitutes a net rent of £90.37 and an eligible service charge of £10.75. The previous rent was £99.14. On 22nd March 2019 the tenant applied to the Rent Assessment Committee pursuant to Section 13(4) of the Housing Act 1988. In a letter accompanying the application the Tenant challenged the level of the rent increase. He said he understood that the rents were Intermediate Rents and not social housing but the rent increase was too high considering the size of the premises.
2. As the Committee understands it the premises, like other properties on the same estate are let at an "affordable" or "intermediate" rent. This is normally 85% of the open market rental value. Clarification on this point was sought from the landlord by the Committee. The landlord did not reply neither did it see fit to attend the inspection of the premises or make any representations.

The Committee were disappointed and surprised by this approach. Suffice to say it is expected that the landlord will not charge any more than 85 % of the open market rental assessed by the committee.

The inspection

3. The premises are located in Carmarthen. This is an administrative centre and a university town with good shopping and recreational facilities. Glangwili General Hospital is also located in town. The property is to be found on a residential development close to the university and the new S4C headquarters (Canolfan S4C Yr Egin).
4. The premises consist of a top floor flat in a three storey purpose built building erected around eight to nine years ago. The structure is constructed mainly of brick and rendered walls externally with a timber inner skin under an interlocking tiled roof with double glazed UPVC windows.
5. The flat is approached from the estate road way by a short pedestrian pathway to the ground floor communal entrance hall, which has a secure entry phone system.
6. A well maintained and carpeted shared staircase leads to the top floor and the following accommodation is provided:-
 - Entrance Hall with radiator and built in storage cupboard.
 - Lounge with radiator.
 - Fitted Kitchen with stainless steel sink, worktops and fitted wall units, built in electric oven, gas hob and extractor hood, plumbing for a washing machine and space for a fridge/freezer [note both of these items are supplied by tenant] Wall mounted gas central heating boiler.
 - Shower Room with pedestal wash hand basin, low flushing WC and tiled shower cubicle.
 - Double Bedroom with radiator.
7. There is an allocated parking space provided and a communal area mainly laid to lawn, There is also a shared purpose built Bin Store. At the time of inspection the gardener's van was parked in a tarmac area with individual parking bays marked with the letter V and it would seem that this area is reserved for parties visiting the flats.

The Law

8. Section 14 of the Housing Act 1988 provides the mechanism for calculating the rent for an assured tenancy when there has been a reference to the Committee pursuant to section 13(4) Housing Act 1988. The section states the following:

14.—

Determination of rent by tribunal

(1) Where, under subsection (4)(a) of section 13 above, a tenant refers to the appropriate tribunal a notice under subsection (2) of that section, the appropriate tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the appropriate tribunal consider that the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy—

(a) which is a periodic tenancy having the same periods as those of the tenancy to which the notice relates;

(b) which begins at the beginning of the new period specified in the notice;

(c) the terms of which (other than relating to the amount of the rent) are the same as those of the tenancy to which the notice relates; and

(d) in respect of which the same notices, if any, have been given under any of Grounds 1 to 5 of Schedule 2 to this Act, as have been given (or have effect as if given) in relation to the tenancy to which the notice relates.

(2) In making a determination under this section, there shall be disregarded—

(a) any effect on the rent attributable to the granting of a tenancy to a sitting tenant,

(b) any increase in the value of the dwelling-house attributable to a relevant improvement carried out by a person who at the time it was carried out was the tenant, if the improvement—

(i) was carried out otherwise than in pursuance of an obligation to his immediate landlord, or

(ii) was carried out pursuant to an obligation to his immediate landlord being an obligation which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement; and

(c) any reduction in the value of the dwelling-house attributable to a failure by the tenant to comply with any terms of the tenancy.

(3) For the purposes of subsection (2)(b) above, in relation to a notice which is referred by a tenant as mentioned in subsection (1) above, an improvement is a relevant improvement if either it was carried out during the tenancy to which the notice relates or the following conditions are satisfied, namely—

(a) that it was carried out not more than twenty-one years before the date of service of the notice; and

(b) that, at all times during the period beginning when the improvement was carried out and ending on the date of service of the notice, the dwelling-house has been let under an assured tenancy; and

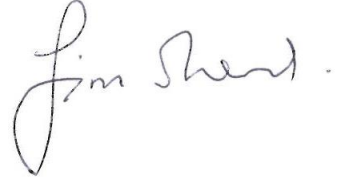
(c) that, on the coming to an end of an assured tenancy at any time during that period, the tenant (or, in the case of joint tenants, at least one of them) did not quit.

Calculation of rent in the present case

9. From the limited inspection the flat and complex would seem to be in good condition. In the application to the Tribunal the tenant pointed out that upon acquiring the tenancy he had spent some money on carpeting the flat and providing window blinds as none were present at the time he took possession. The Tribunal takes the view that when renting this type of accommodation it is usual for the floors to be carpeted and windows to have blinds/curtains.
10. In his submission to the Committee the tenant also stated that other one bedroomed properties in Carmarthen and Carmarthenshire average a rent of £350 pcm upwards. However no specific named flats were provided for the Committee to consider in its deliberations. In addition the tenant refers to these flats as being older, whereas this complex is reasonably new and located in a pleasant residential area with car parking.
11. The Tribunal take the view that the flat is in good order and located in a popular residential locality and with car parking and using its experience would assess the open market rental value of this flat to be £ 104 per week
12. However as previously outlined a prospective tenant would expect a flat of this type to be carpeted and curtained when let. As the provision of these items can be classified as tenant's improvement they should be disregarded when assessing rental value. It would therefore seem reasonable to make a deduction of £4 per week.
13. Taking into account the above observations the open market rental value of this flat is assessed at £100 per week plus service charge (currently £10-75 per week) making a total of £110-75 per week.

14. The calculation for the intermediate rent is left to the Housing Association to assess however the Committee would expect the rent to be 85% of the market rent we have assessed. .

Dated this 11th day of July 2019

A handwritten signature in cursive script that reads "Jim Shepherd".

**Jim Shepherd
Chairman**