

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
LEASEHOLD VALUATION TRIBUNAL

Reference: RAC/0015/03/20

In the Matter of 22 Craigfryn, Machynlleth, Powys, SY21 8JB

In the matter of an Application under Section 13(4) Housing Act 1988

APPLICANTS	Tracey Lake
RESPONDENTS	Mid Wales Housing Association Ltd
TRIBUNAL	AVS Scott Chair Neil Martindale FRICS

ORDER AND REASONS FOR THE DECISION OF TRIBUNAL

The Tribunal determined that the monthly rent for 22 Craigfryn from 1 April 2020 is £427.50.

BACKGROUND

1. We were duly convened as a Rent Assessment Committee under the provisions of the Housing Act 1988 (the Act). The Respondent had served a notice on the Applicant on 7 February 2020 proposing a new rent from 1 April 2020 under an assured periodic tenancy of £406.73, from a previous rent of £387.54.
2. On 21 April 2020, a procedural Chairman gave directions for the parties to make submissions as to the level of rent proposed. The Applicant did not make any submissions. The Respondent wrote to the Tribunal on 20 May 2020 with reasons why it considered the rent proposed to be correct. It was said that rents set from 1 April 2020 took account of the Affordability Assessment approved by the Mid Wales Housing Board in February 2019 and guidance from the Welsh Government. It was also said that on 21 May 2020 there were 21 applicants for a two-bedroom house in Machynlleth. The Committee was referred to two comparables from the housing stock of Mid Wales Housing Association, 8 Bryn Y Gog in Machynlleth and 8 Llys Afallen in Newtown at monthly rents of £424 and £425 respectively. As at 21 May 2020, there were no two bed houses advertised on the private market within Machynlleth.
3. In July 2020, the Respondent provided a letter from Morris Marshall and Poole (MMP) with an open market valuation of the Property, noting the Respondent's housing stock was uncarpeted and unfurnished, but also that the space

of accommodation tended to be greater so ought to command a higher level of rent. The open market rental value was put at £475-£495.

4. On 2 March 2021, another surveyor from MMP, Mr Paul Evans, wrote to say that on the basis of his external assessment, he was of the opinion that a fair and reasonable market rent would be £450 per month.

THE LAW

5. Section 13 (2) of the Act requires a landlord seeking to increase the rent of an assured periodic tenancy to serve a Notice on the tenant in the prescribed form proposing a new rent to take effect at the beginning of a new period of the tenancy specified in the Notice. This being a period beginning not earlier than the minimum period after the date of service of the Notice, such minimum period being, in the case of a tenancy where the period is less than a month, one month. A Notice will be valid if it complies with the provisions of Section 13(2) of the Act. The Committee found the Notice to be valid.
6. Section 14 of the Act requires the Committee to determine the rent which it considers the Property might reasonably be let in the open market by a willing landlord under an assured tenancy, disregarding the effect on the rental value of any of the tenant's improvements.

THE PROPERTY

7. The Applicant entered into an Assured Tenancy Agreement with the Respondent in respect of the Property on 13 November 1995 as varied by agreement dated 30 June 2005.
8. The property is a 2-bedroom semi-detached house in Machynlleth with mains electric, gas, water and drainage. It has a garden front and back. The Respondent does not provide carpets or furnishings.

THE INSPECTION

9. Due to considerations relating to the Pandemic, Mr. Martindale alone inspected the Property on 9 March 2021.

THE COMMITTEE'S DECISION

10. The Committee was satisfied, neither party having requested a hearing, that the Application could be determined without a hearing and determined the matter on the papers on 10 March 2021.
11. The comparables provided were all very similar to the Property but the Committee was of the view that properties in Newtown would command a higher rent as it was a much larger town with more facilities. The comparables referred to at paragraph 3 above were Housing Association properties, which rents are fixed by reference to

the Affordability Assessment referred to by the Respondent and would thus be less than the open market rental value. On the other hand, the Committee considered the views of MMP expressed in paragraph 4 above were optimistic.

12. Mr. Evans considered the open market rental value to be £450 per month. From its own knowledge, the Committee considered this to be a fair assessment of the open market rental for the Property. However, the Committee considered a deduction should be made for the fact the Property was uncarpeted and unfurnished. The Tribunal determined the open market rent to be £427.40.

Dated this 26th day of March 2021

Chair