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RESIDEBTIAL PROPERTY TRIBUNAL (WALES)

RENT ASSESSMENT COMMITTEE

Reference: RAC/0016/03/21

Property: 23 Woodland View, Abercarn, NP11 4AP

Applicant: Michelle Burrows

Respondent: Pobl Group

The Committee: Chairman: Dr. J. Rostron

Valuer Membe: M Taylor MRICS

DECISION

Preliminary

- 1. The Applicant applied on 12th March 2021 to the Rent Assessment Committee ("the Committee") under Section 13(4) of the *Housing Act 1988* ("the Act") for a determination of the open market rent of the property ("the Property").
- 2. The Applicant had received a notice ("the Notice") from the Respondent dated 18th February 2020 proposing a new rent of £550.00 per month. The proposed rent took effect from 1st April 2021. The assured periodic tenancy commenced on 1st December 2017.
- 3. Such applications are approached in two stages; first does the Committee have jurisdiction and secondly, what is the valuation. The first stage requires consideration of the validity of the application. If the application is not valid it is not necessary to proceed to a determination of the market rent valuation.

Inspection

- 3. Inspection took place in the morning of 17th June 2021. The Committee only consisted of the valuer member because of COVID 19 restrictions. The Respondent's representative Emily Samuel attended at the Property but did not go inside. The Applicant was present and showed the valuer member around the inside.
- 4. The Property appeared to be approximately 15-20 years old and is at end of terrace. It was very well presented being in excellent decorative order, constructed in timber frame with brick finish, concrete roof tiles and upvc window frames and trim. A small narrow forecourt and access pathway exist at the front with rear garden extending to the side of the Property. There is a

separate side entrance with access from the rear via patio doors off the kitchen/diner onto a small paved patio with the garden laid to lawn. An off-street parking area for two cars is located in front of the Property, although not numbered. There is also a railway line running to the rear of the property but is difficult to see because of fencing and levels but no trains passed during the inspection.

5. The Property consists of: - 1 living room, 1 cloakroom, 1 kitchen/diner, 3 bedrooms and 1 bathroom. The Property is located some distance from amenities.

Evidence

- 6. Written representations were submitted by both parties and copied to the other. Neither the Applicant nor Respondent requested an oral hearing.
- 7. The Applicant in her written representation dated 27th April 2021 indicated that she considered the proposed rent increase of £25 per month to be high. This is especially so after a similar recent increase. The Applicant considers that the comparables of Coed Celynen Drive and Mill Race made by the Respondent are inappropriate, although no reasons are given to support this assertion. The Applicant is concerned that the Respondent's statement of increased demand because of the cessation of tolls on the Severn Bridge should be taken into account as regards tenants who already occupied properties. The Applicant gave details of her annual earnings and said that she sometimes struggles financially.
- 8. The Respondent provided the Committee with its written representations dated 16th April 2021, the salient points being; the property is rented as part of their intermediate product which is aimed to be let at 90% of market rent; the current proposed rent increase is well below the current rental value for this property; over the past two years they have witnessed rent levels rise considerably in the area as a result of the removal of tolls on the Severn Bridge; and they ensure other rental properties under the intermediate product are aligned with each other in terms of rental values being charged.
- 9. The Respondent further states that other intermediate properties they own in similar locations are worth noting; 28a. 28b, 27, 26, 25, 20a and 19 Mill Race, Abercarn, NP11 4TL 3 bedroom -£555 PCM 21 Woodland View, Abercarn, NP11 4AP £550 PCM.
- 10. The Respondent submitted a best price guide from Rightmove indicating within a 1-mile radius of the Property rental values range from £595 for a 2-bed property to £675 for a 3-bedroom property, emphasising that the subject property is £125 lower than the market value.

The Law

- 11. Section 13(2) of the Act requires a Landlord seeking to increase the rent of an assured periodic tenancy to serve on the Tenant a Notice in the prescribed form proposing a new rent to take effect at the beginning of a new period of the tenancy.
- 12. For the notice to be valid it must comply with various requirements set out in Section 13(2) of the Act as amended by the *Regulatory Reform (Assured Periodic Tenancies) (Rent Increases) Order 2003.*
- 13. If the notice is valid, Section 14 of the Act requires the Committee to determine the rent at which it considers the Property might reasonably be let in the open market by a willing Landlord under an assured tenancy and in so doing the Committee must disregard the effect on the rental value of any relevant Tenants improvements.
- 14. Section 13(2) of the Act confirms (amongst other things) the start date for the proposed new rent must not be earlier than
 - "(c) if the rent under the tenancy has previously been increased
 - (ii) the appropriate date"
- 15. The appropriate date is defined in Sections 13(3)A and 3(B) of the Act as being a minimum of 52 or 53 weeks after any previous rent increase.
- 16. Section 14(7) of the Act explains that in circumstances where the proposed rent increase may cause undue hardship on the tenant the Committee has discretion [within set parameters] to appropriately amend the date for implementation of the new rent.

The Committee's Reasons and Determination

- 17. The Committee had first to determine whether the Notice was valid under Section 13(2) of the Act. The Notice was considered by the Committee to be valid.
- 18. The Committee independently examined as a comparable 103 Mill Race which is a 2 bedroomed similar property being advertised with a rental value of £650. Taking account of the likely outturn rental and making appropriate adjustments the Committee determined that an open market rent for the Property would be £625.00 per calendar month.
- 19. The Committee reviewed the comparable evidence submitted by the Respondent in their best price guide and using its own skill and judgement

- decided that an open market rental of £625 per calendar month was appropriate for the Property.
- 20. The Committee considered the statement by the Applicant that she sometimes suffers financially, but considered that her declared annual income did not warrant the Committee in exercising its potential jurisdiction under section 14B of the Act which allows it to delay implementation of the proposed rent increase.

The Decision

21. The Committee having given due consideration to all of the above matters determined that the rent at which the dwelling house concerned might be expected to be let on the open market by a willing landlord on 1st April 2021 is £625.00 per calendar month.

Date this 24th day of June 2021

J Rostron

Chairman of the Rent Assessment Committee