

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL (WALES)
RENT ASSESSMENT COMMITTEE

REFERENCE: RAC/0018/10/24

PROPERTY ADDRESS: 5 Finsbury Terrace, Brynmill, Swansea SA2 OAH

APPLICANT: Mr. Jonathan Evans – JPB Properties

RESPONDENT: Mrs. Rita and Miss Rachel Bradley

COMMITTEE: Judge Shepherd and Hefin Lewis FRICS

Decision

1. In this case we were asked to resolve a dispute about the level of rent to be charged at 5 Finsbury Terrace, Swansea, SA2 OAH (“The premises”). This is a property that has a tenant protected under the Rent Act 1977. The rent is currently £299.82. per month. The landlord wants to increase the rent to £499 per month. The Rent Officer set the rent at £436 per month. This is the challenged amount.

2. The premises consist of a traditional mid terraced house forming part of an established residential area within easy reach of all amenities. In recent years, the premises has been converted to a ground floor flat and first floor maisonette. The application relates to the maisonette with accommodation arranged on the first and second floors with separate access from the kitchen to a rear terrace. The accommodation briefly comprises:

Shared ground floor entrance lobby to:

First Floor: landing, kitchen, bathroom, separate W/C, living room, bedroom 1.

Second Floor: landing, bedroom 2, bedroom 3/study.

Externally: Private terrace with external staircase to communal garden area.

3. Internally, the accommodation is in a condition consistent with its age and type of construction, but some works of repair and maintenance are required. Some localised damp and condensation issues were identified. The kitchen and bathroom fittings are dated but functional. The floor coverings are worn in places but considered adequate. Elements of the external fabric of the premises appear to be in poor condition. Works of repair, maintenance and renewal are required. Extensive decay is apparent to the original bay windows.

There is evidence of historic movement and cracking. The soil Vent pipework is extensively corroded.

4. In his statement of case the Applicant said that the rent officer had failed to recognise that this was a three-bedroom property. We agree that the third small room is habitable.

The Law

5. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, must have regard to all the circumstances including the age, location and state of repair of the property. It must also disregard the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property. That section also requires the Tribunal not to take into account the personal financial and other circumstances of the tenant.

6. Ordinarily, a fair rent is the market rent for the subject property discounted for 'scarcity' (i.e. that element, if any, of the market rent that is attributable to there being a shortage of similar properties in the wider locality available for letting on similar terms – other than as to rent – to that of the regulated tenancy).

7. In *Spath Holme Ltd v Chairman of the Greater Manchester etc. Committee* (1955) 28 HLR 107 and *Curtis v London Rent Assessment Committee* (1999) QB 92 the Court of Appeal emphasised that section 70 means that:

8. Ordinarily a fair rent is the market rent for the subject property discounted for 'scarcity' and other matters.

9. For the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between these comparables and the subject property).

Decision

10. It is clear from our inspection that the property could be regarded as a 3-bedroom property. Albeit small, the second floor 3rd bedroom could easily accommodate a single bed. Alternatively, it could be utilised as a 'home office'. This is a fundamental fact which impacts the decision. Also important is scarcity. This is a popular area particularly for students and property is relatively scarce particularly larger three-bedroom flats. Accordingly, we adopt a scarcity value of 20%. Having considered comparable properties in the area and using our own expert knowledge we consider that the headline rent prior to deductions should be £700 per month.

11. In assessing the subject property, the following deductions are considered appropriate:

Rent

	Deductions per month (£)	P.C.M. £700.00
External fabric repair	£20.00	
Kitchen Units and white goods	£25.00	
Bathroom/Sanitary Facilities	£15.00	
Damp/Timber Decay	£5.00	
Carpets/soft furnishings	£15.00	
		£80.00
Revised Rental Value		£620.00
Scarcity @ 20%		£124.00
RENTAL VALUE SAY		£496.00 £495

12. Applying our fair rent to the MFRO calculation (see attached), we find that the fair rent assessment is less than the MFRO assessment. Accordingly, the lower of the rent applies.

Summary

13. The fair rent is £495 per month which takes effect from 27th January 2025

Judge Shepherd

29th January 2025