

WALES, U.K.

Organisation: Welsh Tenants

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Tenure structure, Statistics Wales 2014-15

Owner occupied housing: 69%

(i) social rental: 16%

(ii) private rental: 15%

The rental market makes up 31% of accommodation in Wales. The private rented sector is set to overtake the social rented sector in 2020 as the predominant market in Wales.

Initial rent –is it free or regulated?

In reality rents in the private rented sector are determined by what the market can sustain.

Rents are guided by the Broad Market Assessment Areas and Local Housing Allowance (LHA) rates in Wales, published by the Valuation Office. These are broadly based on average rents for the market.

Private rents are based on type, size and location, but rarely reflect quality or how energy efficient they are.

Can the tenant challenge the initial rent?

Yes, within 6 months of the tenancy.

The rent is the rent offered for the property. Demand is high so the asking rent is usually the rent achieved. The tenant can challenge the rent charged but must do so within the first 6 months of the tenancy.

In the case of a new ‘proposed rent’, the tenant can challenge the rent through the Rent Office.

It is up to the tenant to put forward the argument of an unfair rent. Condition of property and comparative rents are the most frequently used.

Very few cases are being brought up for a Rent Office review process. Probably this is because of lack of understanding of rights, fear of retaliatory eviction or fees charged.

How often, and how much, can the landlord increase the rent?

There are no limitations to increases.

The tenancy agreement should outline when the rent is due for renewal. This is normally on the anniversary of the tenancy.

Increases should be presented a written prescribed notice.

Challenge rent increases

The tenant may refer that notice to the Rent Assessment Committee at any time before the proposed date of increase. If a notice is so referred, the proposed increase will not take effect on that date, pending a determination by the Committee.

Rent challenges are dealt with by the Rent Office – Residential Property Tribunal Service, a branch of the Welsh Government.

Unless a new tenancy is entered into, tenants must challenge rent increases within 6 months.

Fees are chargeable and increase depending on the amount in dispute. These range from £50 to £350. There may also be hearing fees in addition to application fees of £150.

Duration of lease

The standard for the private rental sector (PRS) is a 6-month short-hold tenancy agreement – in which there is a moratorium where the landlord cannot evict for the first 6 months unless in extreme cases. The tenant therefore has reasonable security for a minimum of 6 months.

It is possible with some letting agents/landlords to secure a longer term agreement, although these are rarer. What tends to happen is that tenancy agreements are initially for 6 months and then revert to periodic tenancy, month to month.

Notice periods

Landlord: 2 months' written notice. Ordinarily, 1 month for the tenant.

Landlords do not have to provide any reason to give notice.

Security deposit

For the PRS, average is slightly above one month's rent, typically around £450-£500.

If a deposit is required, then it is protected through the Government approved Deposit Protection scheme.

We have seen some letting agents and landlords charge extra for perceived risks. i.e. extra weeks/months due to pets or to mitigate risks due to prior tenancy failure. The PRS has a reasonably good intelligence network to assess tenant risk.

Return of deposit, a problem?

Yes! Landlords typically make claims on the deposit – however the scheme allows tenants to challenge spurious claims made by landlords by offering mediation. However, you need to be literate and competent to prove your counter case.

The system works against tenants with mental health conditions or people with poor numeracy and literacy skills.