


Rent Assessment Panel for Wales**Notice of the Rent Assessment
Committee Decision**File Reference Number:
1043072/Dolpolion

Address of Premises 1 Dolpolion Pentrefoelas Bettws y Coed LL24 0LB	The Committee members were J Rostron MRICS E R Williams
(1) The Committee has decided that the rent for the above premises is: The new rent will be entered by the rent officer in the rent register.	£52 per week (This amount excludes council tax and water rates but includes any amounts entered in boxes 3-5 below.)
(2) The effective date is: The new rent will apply from this date.	14 th February 2013
(3) The rent is not to be registered as variable.	
(4) The amount for services is:	N/A
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	N/A
(6) The rent is not exempt from the maximum fair rent because of repairs or improvements carried out by the landlord.	
(7) Details (other than rent) where different from Rent Register entry: Nil	
Date of decision: <u>14th February 2013</u>	Chairman 
If the fair rent the Committee determined was higher than the maximum fair rent, the limit on fair rent increases may apply. If this is the case, the uncapped fair rent the committee determined is shown in box 8. This is shown for information purposes only and does not affect the rent payable.	
(8) The uncapped fair rent was: £65 per week (Rounded as appropriate)	

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
RENT ASSESSMENT COMMITTEE
(Rent Act 1977)

Reference: RAC/0027/04/12
1043072/Dolpolion

Property: 1 Dolpolion, Pentrefoelas, Bettws Y Coed, LL24 0LB

Landlord: Voelas Estate c/o Hastings & Co., Pen Y Lan, Llanrug, Gwynedd, LL55 4AF

Tenant: Mr & Mrs T Jones

COMMITTEE: J Rostron - Chairman
E R Williams - Surveyor

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

INTRODUCTION

1. We were duly convened as a Rent Assessment Committee on Thursday 14th February 2013 at 1 Dolpolion, Pentrefoelas, Bettws Y Coed, LL24 0LB. We had before us a reference from the Rent Officer. Hastings and Co., on behalf of the Landlord, objected to the rent certificate they had received, and requested the matter be referred to the Rent Assessment Committee for further determination.
2. An application to register a fair rent under the Rent Act 1977 was received on the 29th August 2012 by the Rent Officer. It was submitted by the Landlord via their agent Hastings & Co., Pen Y Lan, Llanrug, Gwynedd, LL55 4AF.
3. The application by the Landlord was for an asking rent of £90.00 per week. The rent registered by the Rent Officer being £51.00 per week. This was the Maximum Fair Rent under the Rent Acts (Maximum Fair Rent) Order 1999. The Rent Officer had calculated the Fair Rent to be £67.00 per week. The Order requires the lower of the two figures to be registered. The rent was registered on the 17th October 2012, with an effective date of 17th October 2012. The previous fair rent was £44.00 per week and registered on 15th February 2010. For clarification purposes the committee was not aware of services having been considered or requested in previous references to the Rent Officer.

INSPECTION

4. The Committee inspected the Property at 11.00 am on the 14th February 2013 in the presence of the Tenants, Mr & Mrs T Jones. Neither the Landlord nor their agent attended.
5. The Property is an end terraced house built 1919. It has a front and rear garden and is accessed via a footpath from the main road. The rear garden contains small outbuildings. There is no direct

vehicular access to the house or car parking space. The Property is located within the village of Pentrefoelas which contains limited services and is approximately 8 miles from the market town of Bettws Y Coed which contains a wide range of services. The Property at the rear is surrounded by agricultural land and to the front by mainly residential property.

6. The Property is of rendered brickwork with a slate roof. It possesses cast iron guttering and downspouts. The external wooden trim was in a poor state of repair. There was some evidence of damp in the Property. The accommodation comprised on the ground floor: sitting room, lounge, kitchen and porch. On the first floor: three bedrooms, bathroom and W.C.

7. The Landlord had in the last few years carried out improvements by installing upvc double glazed windows and relining the chimney.

8. The Tenant had made the following improvements: modern kitchen fittings and a high standard of general maintenance internally. All curtains, carpets and white goods had been provided by the Tenant.

THE LAW

9. When determining a fair rent the Committee, in accordance with the Rent Act 1977, section 70;

- i) has regard to all the circumstances (other than personal circumstances) including the age, location and state of repair of the property;
- ii) disregards the effect on the rental value of the property of (a) any relevant tenant improvements and (b) any repair or any defect attributable to the tenant or any predecessor in title under the regulated tenancy;
- iii) assumes (as required by s.70 (2)) that, whatever might be the case, the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent. In other words that the effect of any such 'scarcity' on rental values is not reflected in the fair rent of the subject property.

10. In Spath Holme Ltd v. Chairman of the Greater Manchester etc. Committee (1995) 28 HLR 107 and Curtis v. London Rent Assessment Committee [1999] QB 92 the Court of Appeal emphasised that section 70 means.

- (a) that ordinarily a fair rent is the market rent for the subject property discounted for 'scarcity' and
- (b) that for the purposes of determining the market rent, assured (market) rents are usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

11. Thus once the market rent for the property has been determined by the exercise in (ii) above that rent must be adjusted, where necessary, for any scarcity.

DECISION

12. Neither the Landlord nor Tenant provided comparables in their written submissions. However, the Landlord has made written representations stating that they object to the rent registered by the Rent Officer because he had..."not taken adequate account of the improvements carried out...since the last registration...the landlords have installed new double glazed windows...and relined the flue...this improvement expenditure is in excess of the 15% referred to in the regulations and that therefore the rent should be assessed differently to the methodology used by the rent officer".

13. It is noted from the Rent Officer's documentation that he registered the rent of £51.00 per week, which is the Maximum Fair Rent under the Order, this being registered on the 17th October 2012. In determining the fair rent he allowed as a starting point, a rent of £98.00 per week, and deducted adjustments from this of £22.00 per week due to age, character etc and part furnishings, carpets and curtains together with tenants improvements. He further reduced the adjusted rent of £76 per week by £9.50 because of scarcity resulting in a fair rent of £67 per week (rounded as appropriate). The reduction for scarcity according to the Rent Officer's report stems from their analysis of those social and economic factors that affect the valuation process and from information collected from agents and the local authority. The Committee agrees that a deduction of 15% for Scarcity is appropriate.

14. It is further noted from the documentation provided by the Rent Officer that he accepted that the Landlord had improved the property by installing upvc double glazing and relining the flue as mentioned above. The Rent Officer valued these works at £5.50 per week which meant the rental valuation process did not exempt the Property from the Rent Acts (Maximum Fair Rent) Order 1999, SI 1999/6.

15. The Committee considered and did take into account the Landlord's submission relating to the improvements to the property. However having undertaken the appropriate calculations the Committee finds that the Fair Rent is not increased by 15% of the previous rent registered and therefore the Order applies. It agrees with the figure of £5.50 per week as calculated by the Rent Officer.

16. Using its skill and judgement and utilising its experience, the committee determined that the starting point rent for a property of this type in a similar locality would be £100 per week. It considers that adjustments are required to reflect the lack of central heating and that carpets and curtains are not provided by the Landlord. Further adjustments are also required to reflect the dampness evident together with the general state of repair and the tenants improvements.

17. From the above market rent the Committee have made the following adjustments;

Market Rent per week		£100.00
Less adjustments		
Lack of Central Heating	£5.00	
Lack of Carpets and Curtains	£4.00	
[Damp £4, No Off-street Parking £3		
General State of Repair £3]	£10.00	
Tenants Improvements	£5.00	

	£24.00	
		£76.00
Less 15% Scarcity		£11.40

	(Appropriately rounded)	£65.00

18. The Maximum Fair Rent Calculation is as follows;

RPI at last registration	219.2
RPI applicable in February 2013	246.8
Enhancement factor	0.05
Last registered rent	£44.00
Maximum Fair Rent	£51.74
	but rounded up to £52.00

The Maximum Fair Rent regulations apply and accordingly the Maximum Fair Rent is £52.00 per week.

It is declared the Committee has decided the Maximum Fair Rent for 1 Dolpolion, Pentrefoelas, Bettws Y Coed, LL24 0LB shall be £52.00 per week from the 14th February 2013.

An Appeal on a point of law only may be made to the High Court within 28 days of the issue of the Reasons for the Rent Assessment Committee's decision (or such period as the High Court may allow).

DATED this 20th day of March 2013



CHAIRMAN