

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0015/12/18
Address of Premises 7 Cae Clyd Parc Clarence Craig Y Don Llandudno LL31 9HL	The Committee members were J Rostron D K Jones	
(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.	£95.00 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.	10 April 2019	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£1.67 per week	
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	per	
(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:		
Date of decision: 10 April 2019	Chairman J Rostron	
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: £125.00 per week		

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

Reference: RAC/0015/12/18

Property: 7 Cae Clyd, Parc Clarence, Craig Y Don, Llandudno, LL30 1BL.

Landlord: North Wales Housing Association, Plas Blodwel, Llandudno Junction, Conwy,
LL31 9HL

Tenant: Mr O Evans

COMMITTEE: Chairman J Rostron
Surveyor D K Jones

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

INTRODUCTION

1. We were duly convened as a Rent Assessment Committee on Wednesday 10 April 2019 at; 7 Cae Clyd, Parc Clarence, Craig Y Don, Llandudno, LL30 1BL, the [‘Property’]. We had before us a reference from the Rent Officer. 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 11 October 2018 by the Rent Officer.
3. The application made by the Landlord contained a statement of case in a letter received by the Rent Officer on 3 December 2018, which stated inter alia ...” Our proposed rents have been calculated in accordance with Welsh Government Rent Policy for registered social landlords, this being an increase of CPI + 1.5% (with an additional £1 or £2 if our rent fell at or below the target band). This falls in line with our calculations for our assured tenancies...Following our proposed rent increases [the Landlord] would remain at the low end of our target rent band, however the registered rents received from the Rent Office are likely to mean we remain below the Welsh Government target rent band”.
4. The rent registered by the Rent Officer was £97.00 per week. The proposed rent being £104.25 per week. The rent was registered on the 19 November 2018, with an effective date being the same. The previous fair rent was £94.00 per week and registered on 3 November 2016, with an effective date being the same. A service charge of £1.01 was registered 3 November 2016. A service charge of £1.67 was registered on 19 November 2018.

INSPECTION

5. The Committee inspected the Property at 10.00 am on the 10 April 2019 in the presence of the Tenant Mr O Evans.
6. The Property is a terraced house located in a primarily residential area. It is within reasonable proximity to shops and other facilities. The Property we understand was built in the 1970’s.

7. The Property comprises on the ground floor a kitchen diner, lounge and wc. On the first floor are three bedrooms and bathroom. The kitchen was in fair condition. The bathroom which included a wc, sink, bath and shower was also in fair condition. Car parking provision exists at the front of the Property..

8. All curtains, carpets and white goods had been provided by the Tenant. The Property has upvc framed double glazed windows throughout. It also contains gas central heating.

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.
- iv) 9. 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).

10. 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

11. The Landlord and Tenant did not provide any comparables. The only statement of case was that presented by the Landlord which is dealt with in paragraph 3 above.

12. It is noted from the Rent Officer's documentation that he registered the rent of £97.00 per week, this being registered on the 19 November 2018. In determining the registered rent, the Rent Officer allowed as a starting point, a rent of £121.15 per week, and deducted adjustments from this of £9.00 per week concerning furniture. For services and council tax etc £1.67 was allocated. This produced an adjusted market rent of £113.82 per week. He further reduced the adjusted rent by £17.07 because of scarcity resulting in a fair rent of £97.00 per week. 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 calculation by the Rent Officer meant the Rent Acts (Maximum Fair Rent) Order 1999 SI 1999/6 does not apply. Improvements carried out by the Landlord were dated, not of the best quality and did not add more than 15% to fair rent which would exclude the maximum fair rent capping regulations.

13. The Committee considered and did take into account the submissions relating to the Property. 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 £125.00 per week.

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

Market Rent per week	£125.00	
Less adjustments		
Age, character etc	£6.00	
Furniture	£9.00	
Services		£1.67
Adjusted market rent		£111.67
Less 15 % Scarcity		£16.75
Fair Rent (rounded as appropriate)		£95.00

15. The Maximum Fair Rent Calculation is as follows;

RPI at last registration	265.5
RPI applicable in February	285.0
Enhancement factor	0.05
Last registered rent	£94.00
Maximum Fair Rent	£106.00

16. The Maximum Fair Rent regulations do not apply and accordingly the Maximum Fair Rent is £95.00 per week.

It is declared the Committee has decided the fair rent for the Property shall be £95.00 per week from the 10 April 2019.



CHAIRMAN J Rostron

This document contains full findings of fact and reasons for the decision. Any party dissatisfied with this decision has a right to apply for permission to appeal. Any such application must be received by the Tribunal not later than 21 days after this decision is sent to that party