

RR9

Rent Assessment Panel for Wales

**Notice of the Rent Assessment
Committee Decision**

 File Reference Number:
RAC/0012/10/19

Address of Premises 34 Caerleon Road, Dinas Powys, CF64 4PW	The Committee members were Colin Green (Chairman) Roger Baynham FRICS (Valuer) Carole Calvin-Thomas (Lay Member)
(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.	£124.32 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.	04.03.21
(3) The rent is to be registered as variable.	
(4) The amount for services is:	£2.32 per week
(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: N/A	
Date of decision: <u>04.03.21</u>	Chairman <i>Colin Green</i>
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: £132.76	

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

Reference: RAC/0012/10/19

Property: 34 Caerleon Road, Dinas Powys, CF64 4PW

Applicants: Mr. and Mrs. T. O'Donnell

Respondent: United Welsh Housing Association

Committee: Colin Green (Chairman)
Roger Baynham FRICS (Valuer Member)
Carole Calvin-Thomas (Lay Member)

DECISION OF THE RENT ASSESSMENT COMMITTEE

A fair rent of £124.32 per week was determined by the Committee on 4 March 2021 with effect from the same date.

REASONS FOR DECISION

Preliminary

1. On 17 October 2019, an application for registration of a fair rent for 34 Caerleon Road (“the Property”) was received by Rent Officers Wales from United Welsh Housing Association (“the Landlord”). Since 1978 the Property has been tenanted by Mr. and Mrs. T. O'Donnell (“the Tenants”). There is a variable service charge in respect of services to communal areas.

2. A rent of £121.50 per week (including the then service charge of £2.38 per week) was determined by the Rent Officer on 3 December 2019 with effect from that date. The previous rent, registered on 16 November 2017, had been £110.21 per week (including £2.21 for services).

3. By a letter dated 10 December 2019, received by the Rent Officer Service on 23 December, the Tenants objected to the registered fair rent, and by a notice dated 23 December the Rent Officer referred that objection to the Committee.
4. The Rent Officer also submitted his fair rent valuation calculation, details of rents for other properties in nearby postcodes, (but as is customary, without full addresses), a survey sheet with plans from 1991, and a copy of the Tenants' letter of objection.
5. The Committee invited written representations from both parties, details of which are mentioned below. Neither party required a hearing so that the Committee's determination took place via a video link on 4 March 2021.

Inspection

6. Due to the Covid-19 pandemic, an external-only inspection was carried out by Roger Baynham, the valuer member, on 24 February 2021. There was no internal inspection.

Situation and Description

7. The Property was constructed approximately 45 years ago and comprises a two-storey semi-detached end of link house in a row of similar type properties. It has a relatively small front garden and a side garden both of which are laid in lawn and the rear garden is of good size and enclosed by wooden fencing. At the front of the house there is a communal car park which serves this and the other adjacent houses.
8. The house is conventionally constructed with brick cavity walls which have been cement rendered with a pitched roof overlaid in tiles. The windows and doors are double glazed. In order to comply with the Welsh Housing Quality Standard, the Landlord had previously undertaken various works including external cavity wall insulation. The property was let unfurnished.
9. From the above-mentioned plans, and Mr. Baynham's previous inspection of similar properties on this development, it was ascertained that the accommodation on the ground floor comprises an open recessed entrance porch, entrance hallway which has a small cloakroom with w/c and wash hand basin, living room, and a through dining room / kitchen. On the first floor there is a landing, two double bedrooms, a single bedroom and a bathroom with a wash hand basin and a w/c.
10. In coming to its decision the Committee took into account the Rent Officer's comparables and its own knowledge of the local market. There is in fact very little available to rent in the open market in close proximity to the Property. It is a

reasonably sized semi-detached house having the advantage of most services within a reasonable distance and good bus and train services to Cardiff and Barry. It has gas central heating, double glazing and the benefit of cavity wall insulation.

Law

11. When determining a fair rent the Committee, in accordance with the Rent Act 1977, section 70:
 - 11.1. Has regard to all the circumstances (other than personal circumstances) including the age, location, and state of repair of the property;
 - 11.2. Disregards the effect on the rental value of the property of (a) any relevant tenant improvements and (b) any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy;
 - 11.3. Assumes (as required by section 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, the Committee must make certain assumptions regarding scarcity and demand.
12. 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:
 - 12.1. that ordinarily a fair rent is the market rent for the subject property discounted for “scarcity”, and
 - 12.2. that 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)
13. Thus, once the market rent for the Property has been determined by the exercise above, that rent must be adjusted, where necessary, for any scarcity.
14. The Committee must also consider the application of the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 which places a cap on the permissible amount of the increase of a fair rent between one registration and the next. The cap is based

upon the amount of increase in the Retail Prices Index between the dates of the two registrations.

15. By virtue of section 72 of the 1977 Act, the registration of the rent takes effect from the date when the Committee reached its decision, in this case: 4 March 2021.

Representations

16. In addition to the Tenants' letter of 10 December 2019 mentioned above, the Committee also received a letter from the Tenants dated 20 January 2020, representations from the Landlord under cover of an email of 20 January, a letter in response from the Tenants received on 10 February, and an email from the Landlord on 18 February. The Tenants consider that the figure of £121.50 arrived at by the Rent officer is too high having regard to the locality of the Property; the Landlord considers it to be consistent with rents charged by other social landlords in the vicinity.

Assessment of the rent

17. The starting point in assessing a rent under section 70 of the 1977 Act is to establish the market rent for the Property. To that rent a number of adjustments are made, to reflect the requirements of section 70. As stated above at paragraph 11.1, the Committee is constrained from considering the personal circumstances of the parties by law.
18. The Committee determined what rent the Landlord could reasonably be expected to obtain for the property in the open market if it were let now in the condition that is considered fit and usual for such an open market letting. The Rent Officer had provided information on a range of rents for three-bedroom properties in the locality ranging between £160.38 and £346.16 per week between 30 November 2018 and 29 November 2019, and judged the market rent to be £183.46 per week. Considering all of the evidence, using the Committee's own skill and expertise, and having regard to the size and location of the property, it agrees that £183.46 per week is the appropriate market rent.
19. From this the Committee has deducted £15.00 to reflect that in the open market carpets and curtains would be included and another amount of £15.00 to allow for necessary improvements required to the kitchen and bathroom. No mention has been made of any landlord's disrepair in the parties' submissions or the Rent Officer's notes, and none was observed from the external inspection. Therefore, no adjustment has been made in respect of such matters.

20. On the issue of scarcity, the Rent Officer had made a deduction of 20%, from an adjusted market rent of £151.84. The Committee agrees that there is a level of scarcity for properties of this nature in the locality but considers that a deduction of 15% is more appropriate. This produces a rent of £130.44 per week to which the current service charge of £2.32 should be added, producing a final weekly rent of 132.76.

Calculations

21. Applying the Committee's findings and conclusions, it determined the weekly rent as follows:

Weekly market rent	183.46
Carpets and curtains	(15.00)
Kitchen and bathroom improvements	(15.00)
Adjusted market rent	<u>153.46</u>
Scarcity at 15%	(23.02)
Services	2.32
Weekly occupational rent	<u>132.76</u>

22. The rent is subject to the capping provisions of the 1999 order. After effecting the appropriate calculation, the Committee determined that the fair rent assessed above was more than the maximum fair rent for the Property, which was calculated to be £124.32 per week. Accordingly, it is that lower figure which is the fair rent.

Dated this 12th day of March 2021

Colin Green (Chairman)