

TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPEY TRIBUNAL
RENT ASSESSMENT COMMITTEE
RENT ACT 1977

Reference: RAC/0010/06/22

Property: 8 Lyndon Drive, Kinmel Bay, Rhyl, LL18 5EX

Landlord: Clwyd Alyn Housing Association

Tenants: Mr P H Williams and Mrs A S Williams

Committee: C Jones, Legal Chair
D Jones FRICS, Surveyor Member

DECISION OF THE RENT ASSESSMENT COMMITTEE

A fair rent of £187.70 per month was determined by the Committee on 15th September 2022 with effect from the same date.

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

1. We were duly convened as a Rent Assessment Committee on the 15th of September 2022 under the provisions of the Rent Act 1977, following an external site inspection by the Surveyor Member on the 15th of September 2022.

The Reference

2. An application for registration of a fair rent for 8 Lyndon Drive, Kinmel Bay ('the Property') dated 31st March 2022 was received by Rent Officers Wales from Clwyd Alyn Housing Association ('the Landlord'). The Landlord applied for a fair rent of £179.10.
3. A rent of £187.69 per month (including a management/insurance charge of £1.89 per month) was determined by the Rent Officer on 20th May 2022, with effect from that date. The previous rent, registered on 20th June 2019, had been £294.63 per month.

4. Mr P H Williams and Mrs A S Williams ('The Tenants') appealed the rent of £187.69 per month and as the Tenants objected to the registration, the matter was referred to this Committee for determination. Both parties elected for the matter to proceed by way of written representations.
5. The Tenants occupy the Property on a 55% shared ownership basis.

The Inspection

6. The Surveyor Member inspected the Property externally on 15th September 2022 from the highway. The Tenants did not agree for the Property to be inspected internally. A Procedural Chairman directed on 17th August 2022 that: 'In the event that the Applicant does not provide access to the interior of the property, the Tribunal Surveyor will carry out only an external inspection. The Applicant needs to be aware, however, that absent an internal inspection, the Tribunal will have no option but to assume there are no internal defects which may have bearing upon the issue of rent.'
7. The Property is situated in the town of Kinmel Bay in the County of Conwy on the A548 coast road and a mile west of Rhyl. The settlement has a retail area to its north, industrial estates to the south and well-established residential areas. It also has a doctors' surgery, pharmacies and a local independent church.
8. Lyndon Drive is a cul-de-sac comprising of bungalow properties located on The Clwyd Park residential estate that is located to the south of the town and was developed in the early 1980's.
9. The Property comprises of a detached bungalow located to the head of the cul-de-sac. It has brick elevations under a tiled roof along with PVC framed double glazing. It appeared to be in satisfactory condition and of typical style for its age and location. The Rent Officer notes indicated that the Property has central heating, and that the accommodation consists of three bedrooms. The Property has a garage and it appears from the Google Earth application to be situated on a good-sized plot.

The Hearing

10. The Hearing was convened by meeting at the Surveyor Member's offices, on the papers, at 2.00pm on the 15th September 2022. At the meeting, consideration was given to the submitted paperwork and written representations made by the Tenants and the Landlord.

The Decision

11. As the parties did not request a hearing, the Committee reached its decision based upon the Surveyor Member's external inspection of the Property and upon the information before the Committee, including the Rent Officer's working papers, a copy of the Rent Register, the Application dated 31st March 2022, the Tenants' letters dated

29th May 2022, 4th and 9th June 2022 and the Landlord's and Tenants' formal replies dated 14th and 20th July 2022 respectively.

12. The currently registered rent was noted in the register as being £294.63 per month as registered on 20th June 2019. Correspondence had indicated that the date of registration was 20th June 2020, however the Committee considered that, on the balance of probabilities the register recording the date as 20th June 2019 was correct.
13. The Application for Registration of Fair Rent ('RR1') Form completed by the Landlord on 31st March 2022 applied for fair rent of £179.10. This was an amended Application, as the original document had initially referred to a fair rent of £311.29 The Landlord explained that this amendment was due to the shared ownership percentage being 55% rather than 25% as originally advised. The Tenants' reasons for appeal referred to 'the cost-of-living crisis.' They submitted that any increase of rent was unfair, regardless of the amount. The Tenants also wrote to the Rent Officer on 4th April 2022 to say that their rent was £175 per month and not £294.63. The Rent Officer explained however that £294.63 was simply the maximum the Landlord could charge.
14. The Committee is required by Section 70 of the Rent Act 1977 to disregard the personal circumstances of the parties, any disrepair or other defects due to a failure by the Tenants under the terms of the Tenancy and any improvements carried out by the Tenant, other than as required by the Tenancy.
15. The Committee is also required to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 (the Maximum Fair Rent Order), which places a cap on the increase of fair rent allowed between one registration and the next registration. The cap is based upon the amount of increase in the Retail Price Index between the dates of the respective registrations.
16. The starting point for assessing a fair rent under Section 70 of the Rent Act 1977 is to establish the market rent for the Property. A number of adjustments are then made, to reflect the requirements of Section 70 of the Rent Act 1977.
17. In this case, neither the Landlord nor the Tenants provided evidence as to rent of other similar properties in the locality. The Rent Officer provided a list of four rental properties which he considered to be comparable, although the exact location of these properties is not known. They were all three-bedroom bungalows, three being detached and one being semi-detached, and the rents were £695, £650, £625, and £595.
18. The Committee considered the comparable properties and having used its own experience and expertise in the context of the requirements of Section 70 of the Rent Act 1977, made the following determination.
19. Having regard to the age, condition, size and location of the Property, the Committee considered that the market rent for the Property before the relevant deductions was £640 per month. As regards deductions where no furniture is provided, the Rent

Officer made a deduction of £30, and the Committee had received no evidence to indicate that it should depart from this figure.

20. Repairs for a rented property would usually be carried out by the Landlord. In this instance, as the Tenants had full repairing liability, the Committee considered it to be reasonable for a further 20% to be deducted from the market rent.
21. As regards scarcity, the Rent Officer made a deduction of 15% and the Committee agreed with his view as to the appropriate deduction, given the lack of available rental properties in the area, and particularly the lack of rented bungalows.
22. The figure then needed to be further adjusted due to the Tenants' 55% share in the equity of the Property.

Calculations in Respect of the Decision

23. Applying the above findings and conclusions we determine the fair rent as follows:

Market rent per month	£640.00
Less adjustments	
Furniture	- £30.00
<u>Adjusted market rent</u>	<u>£610.00</u>
Deduction for scarcity at 15%	£518.50
Deduction for full repair liability at 20%	£414.80
Deduction for management/insurance (£1.89)	£412.91
Deduction due to 55% equity share	£185.81
<u>Fair Rent per month</u> (including services)	<u>£187.70</u>

24. The Committee calculated the maximum fair rent ('MFR') which could be charged in accordance with the Rent Act (Maximum Fair Rents) Order 1999. The MFR had been calculated by the Rent Officer at £344.00 per month, however the Committee re-calculated the MFR to ensure that it was based on a like-for-like comparison, to recognise the change in equity share from 25% to 55% since the 2019 rent registration.
25. The Committee was required to determine the fair rent as being the lowest figure of the MFR or the fair rent calculation. Following re-calculation, the MFR figure remained higher than the fair rent calculation and the MFR therefore does not apply in this case.
26. The Committee therefore duly records its decision that the fair rent for the Property is £187.70 per month inclusive of management/insurance costs.

27. For the purposes of the Rent Act 1977 (as amended), it is recorded that the decision was made and takes effect from the 15th of September 2022.

Dated this 18th day of October 2022

C Jones, Chairman