


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0022/05/14 High Street
Address of Premises: 79A High Street Pwllheli Gwynedd LL53 5RR	The Committee members were: Mr Jack Rostron, Chairman Mr Neil Martindale, Valuer	
(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.	£73.50 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.	18 th July 2014	
(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: N/A		
Date of decision: <u>18th July 2014</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: £84.00 per week		

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

Reference: RAC/0022/05/14/14 High Street

Property: 79A High Street, Pwllheli, Gwynedd, LL53 5RR

Landlord: Mei Ong, Rhyd Bach, Ffordd, Pwllheli, Gwynedd, LL53 5AR

Tenant: Mr K Gallimore

COMMITTEE: Chairman J Rostron

Surveyor N Martindale

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

INTRODUCTION

1. We were duly convened as a Rent Assessment Committee on Friday 18th July 2014 at; 79A High Street, Pwllheli, Gwynedd, LL53 5RR . We had before us a reference from the Rent Officer. Mei Ong, the Landlord, objected to the rent certificate she 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 24 February 2014 by the Rent Officer. It was submitted by the Landlord.
3. The application was for an asking rent of £88.50 per week. The rent registered by the Rent Officer being £74.00 per week. The rent was registered on the 7th April 2014, with an effective date being the same. The previous fair rent was £56.50 per week and registered on 9th February 2014, with an effective date being the same. 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 11.30 am on the 18th July 2014 in the presence of the Tenant, Mr Gallimore. The Landlord did not attend.

5. The Property is a first and second floor self-contained maisonette, situated over a shop. It is located on the High Street of Pwllheli. The High Steet is located in the centre of Pwllheli which is largely a resort for sea side holidays. The flat is mainly surrounded by shops and commercial properties. It is accessed by a rear entrance from a side road running out from the High Street. There was no off street parking available for the Tenant. It had good access to the facilities to be expected in a small town.

6. The Property is of rendered stone and brick construction. The roof is made of slate. The rear entrance is a lean to lobby with corrugated sheeting. It possesses metal guttering and downspouts. The sash windows are of timber with single glazing. The accommodation comprised of; large living room at front of property. There are two good sized bedrooms with two further narrow rooms. The kitchen is to a basic standard with tenant's appliances. The bathroom comprised w.c., bath and sink with a shower fitted by the Tenant. The wiring appeared dated.

7. All curtains, carpets and white goods had been provided by the Tenant. The central heating had been put in at the Tenant's request under the NEST scheme. All rooms were considered to contain dated decoration, fixtures and fittings. Electrical system appeared dated.

THE LAW

8. 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 provided comparables in her written submission. She states..."I have carried out extensive search on 3 / 4 bedrooms properties in the LL53 5 area and find that they range between £84.00 to £126.00 per week, much lower [it is assumed the writer meant higher] than your determined rent for my property at £74.00 per week" The Landlord also states *inter alia* ..."I again confirm that all the work listed will be carried out. Please find attached quotation from contractors as prove of my intention to upgrade the property". However, the Tenant has made written representations stating *inter alia*..." I agree with the rent increase suggested by the officer which is £74". Two unsigned Assured Shorthold Tenancy Agreements dated 2012 and 2014 are presented, it is assumed by the Landlord, but are not relevant in the current context.

12. It is noted from the Rent Officer's documentation that he registered the rent of £74.00 per week, this being registered on the 7th April 2014. In determining the registered rent he allowed as a starting point, a rent of £85.00 per week, and deducted adjustments from this of £7.50 per week concerning; age, character, etc. He further reduced the adjusted rent of £77.50 per week by £4.00 because of scarcity resulting in a fair rent of £73.50 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 did not apply.

13. The Committee considered and did take into account the Landlord's and Tenant's submission relating to the Property. In terms of the NEST scheme for installing central heating, it was considered that this improvement funded out of the public purse, should be disregarded from determination of the fair rent. The Committee considered that in Pwlllelli there was a ready supply of similar flats available for rent and therefore determined that there was no scarcity in this particular location. It did recognise that generally within Wales there is a scarcity of residential property for rent and wished it be known that this particular decision turns on its own unique facts which differentiate it from the norm. 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 £105 per week.

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

Market Rent per week		£105.00
Less adjustments		
Central Heating [NEST Provision}	£10.50	
Lack of Carpets and Curtains	£5.25	
Lack of Double Glazing	£5.25	
Dated electrics	£5.25	
Dated Kitchen	£5.25	

	£31.50	
		£73.50
Less 0 % Scarcity		£0.00

		£73.50

15. The Maximum Fair Rent Calculation is as follows;

RPI at last registration	183.8
RPI applicable in July 2014	255.9
Enhancement factor	0.05
Last registered rent	£56.50
Maximum Fair Rent	£81.48

The Maximum Fair Rent regulations do not apply and accordingly the Maximum Fair Rent is £73.50 per week.

It is declared the Committee has decided the fair rent for 79A High Street, Pwllheli, Gwynedd, LL53 5RR shall be £73.50 per week from the 18th July 2014.

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 13th day of August 2014



CHAIRMAN J Rostron