


**Rent Assessment Panel for Wales**

<b>Notice of the Rent Assessment Committee Decision</b>		File Reference Number: RAC/0029/02/14 Pentre Mawr
Address of Premises  30 Pentre Mawr Dundonald Avenue Abergele LL22 7PL	The Committee members were  JDM Jones T Daulby FRICS E 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.	£240.98 per calendar month  (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.	12 <sup>th</sup> May 2014	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£8.71 per calendar month	
(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>14<sup>th</sup> May 2014</u>	Chairman: 	
<b>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.</b>		
(8) The uncapped fair rent was: £		

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

**Reference:** RAC/0029/04/14 Pentre Mawr

**Property:** 30 Pentre Mawr, Dundonald Avenue, Abergele, LL22 7PL

**Landlord:** Clwyd Alyn Housing Association

**Tenant:** Ms Gwenfyl Middleman

**COMMITTEE:** JDM Jones  
T Daulby FRICS  
E Jones

**REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE**

**The Appeal**

1. We were duly convened on the 12<sup>th</sup> May 2014 as a Rent Assessment Committee under the Rent Act 1977 as amended by the Housing Act 1980 at 30 Pentre Mawr Dundonald Avenue, Abergele LL22 7PL (“the Property”).
2. We had before us a reference from the Rent Officer for North East Wales in respect of the Property. On the 20<sup>th</sup> January 2014, the Rent Officer had registered a Fair Rent of £240.98 per calendar month to take effect from that date.
3. Clwyd Alyn Housing Association (“the Landlord”) had by an application dated the 6<sup>th</sup> December 2013 requested the Rent Officer to register a Fair Rent of £218.54 per calendar month of which £8.71 per calendar month was attributable to services. The Landlord stated in the application that the rent at the time of the application was £201.41 per calendar month however a copy of the rent register with the papers indicates that rent of £234.57 per calendar month was registered on the 19<sup>th</sup> January 2012 and the amount noted for services was £3.46.
4. By letter dated the 25<sup>th</sup> January 2014, Gwynfyl Middleman (“the Tenant”) gave notice of appeal and accordingly the matter was referred to this committee.

**The Inspection**

5. The committee inspected the Property on the morning of the 12<sup>th</sup> May 2014 in the presence of the Tenant’s son who said his mother was unable to be present as she was in work.
6. The Property is an end terrace and the accommodation comprises an entrance hall, small kitchen and a larger living room to the area. Upstairs is a landing, one double and one single bedroom. There is a WC/shower room. There is a small third bedroom. The Property is connected to all mains services and has the benefit of gas central heating. Some double glazing has been fitted by the Tenant. Outside is a car port/garage, an open plan front lawn and an enclosed rear garden.

7. The Property is conveniently located close to the town of Abergele and it is close to the A55 North Wales Expressway and the London-Holyhead railway.

### **The Hearing**

8. The parties were content for the matter to be dealt with on the basis of written representations and the inspection.
9. The Landlord operates a system of shared ownership under which the Tenant is allowed to purchase a share in the Property and to pay rent only on that portion which remains in the ownership of the Landlord. This is effected by the Landlord granting a long lease to the Tenant partly in consideration of a premium and partly in consideration of rent.
10. The committee has with the papers a copy of the lease dated the 2<sup>nd</sup> June 1987 and made between the Landlord (1) and M J Taylor (2). The Property is referred to in the Lease as plot number 4 Pentre Mawr but we are told by the Landlord that this is now 30 Pentre Mawr. We understand that the Lease has been assigned to the Tenant and she holds the residue of the term of 99 years.
11. The Tenant has a 25% share in the equity of the Property.
12. The Lease provides that the Tenant pays the rent and all outgoings at the Property and is responsible for keeping the Property at all times clean and well and substantially repaired and maintained. There are numerous other covenants in the Lease and it is not necessary to refer to those in any detail. The Landlord covenants to insure the Property and the Tenant covenants to reimburse the Landlord the premiums paid in respect of fire and other risks. The copy Lease that we have seen confirms that the Tenant has 25% interest in the Property although the Lease sets out stair casing provisions which enable the Tenant to increase the percentage owned by her.
13. In determining what is a Fair Rent under a regulated tenancy of a dwelling house the committee has to have regard to all the circumstances of the case (other than personal circumstances) and in particular the age, character, locality and state of repair of the dwelling house. The committee is also required to assume that the number of persons seeking to become Tenants of similar properties in the area on terms (other than those relating to rent) is not substantially greater than the number of such dwelling houses available for letting in the locality. The committee is entitled to use its knowledge of rental values in the locality and to have regard to such knowledge.
14. We have seen the Rent Officer's calculations and consider he is correct in stating the market rent for the Property in a typical "to let" condition would be £485 per calendar month. He makes deductions from that rent and whilst we agree deductions are necessary we differ slightly in the deductions that he has made (see below).
15. The Rent Officer also makes a deduction in respect of scarcity. We agree that there is a demand in the locality for property of this type and that demand exceeds supply. We agree a scarcity of 15%.
16. Under the terms of the Lease the Landlord pays insurance for the Property and the Tenant reimburses the premium and any management fees attributable. We have before us no representations regarding this and accept the figure proposed by the Landlord.
17. By clause 3(4) of the Lease the Tenant covenants to keep from time to time and at all times during the term to "... the premises clean and well and substantially repaired maintained and decorated". This is an onerous covenant imposing considerable obligations on the Tenant. It is noted that the Rent Officer has made an adjustment of 20% on the Fair Rent to reflect his obligation. While this may be a little high, we see no reason to interfere with the Rent Officer's calculation particularly taking account of the fact that as the years go by the burden of repair is increasing.

18. We set out our calculations as follows:

Market Rent		£485.00
Less Adjustments (if appropriate)		
Old Central Heating System	£5.00	
Carpets/Curtains	£4.00	
Basic Kitchen/Bathroom	£4.00	
Double Glazing	£2.00	
Other (specify)	£	£15.00
<b>Adjusted Market Rent</b>		<b>£470.00</b>
Deduct for Scarcity at 15%		£70.50
Fair Rent (Ex-services)		£399.50
Deduct: Repairing liability at 20%	£79.90	
Insurance Management	£8.71	£310.89
Less 25% for equity stake owned by Tenant		£233.16
<u>Add back</u> management/insurance		£8.71
		=====
		£241.87
		=====

As this is less than £1 different from the Rent Officer's figure, we do not propose to alter the registered rent.

19. The committee assess a Fair Rent of £240.98 per calendar month.
20. However, a further calculation is required as the Property is subject to the Rent Act (Maximum Fair Rents) Order 1999.
21. Our calculations are set out on the attached schedule.
22. The maximum Fair Rent exceeds the Fair Rent and accordingly the Rent Act (Maximum Fair Rents) Order 1999 does not apply. We confirm the Fair Rent fixed by the Rent Officer of £240.98 per calendar month inclusive of £8.71 services.
23. It is recorded for the purpose of the Rent Act 1977 as amended by the Housing Act 1980 that this decision was made on the 12<sup>th</sup> day of May 2014.

Dated this 26<sup>th</sup> day of June 2014



Chairman