

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0014/12/18
Address of Premises 9 Plas Llwyd Terrace Bangor LL57 1UB	The Committee members were J Rostron T A Daulby	
(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.	£93.00 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.	9 April 2019	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£13.96 per week	
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:		
(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: 9 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: £93.00 per week		

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

Reference: RAC/0014/12/18

Property: 9 Plas Llwyd Terrace, Bangor, LL57 1UB

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

Tenant: Mrs V M Dunster

COMMITTEE: Chairman J Rostron
Surveyor T A Daulby

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

INTRODUCTION

1. We were duly convened as a Rent Assessment Committee on Tuesday 9 April 2019 at; 9 Plas Llwyd Terrace, Bangor, LL57 1UB [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 was according to their letter received by the Rent Officer on 3 December 2018 stated as follows..." 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 £87.00 per week. The proposed rent being £95.81 per week. The rent was registered on the 21 November 2018, with an effective date being the same. The previous fair rent was £82.50 per week and registered on 6 June 2016, with an effective date being the same. The Landlord has currently declared that £13.96 is allocated as service charge within the rent.

INSPECTION

5. The Committee inspected the Property at 10.00 am on the 9 April 2019 in the presence of the Tenant Mrs Dunster.

6. The Property is a flat on the first floor of a three-storey terrace of former houses which have been converted. The Property was built pre 1919. It is located in a primarily residential area. It is in close proximity to a range of shops and other facilities. Car parking is by an off street car park at the rear of the terrace. There are no gardens at the front or rear of the Property.

7. The Property is constructed of stone and rendered. The windows throughout are replacement upvc frames and double glazed. The Property consists of a lounge, two bedrooms, kitchen and bathroom. The kitchen was in fair condition with the fixtures and fittings being installed by the Landlord. A door leads out to a fire escape. The bathroom was in fair condition and consisted of WC, sink, shower and bath. An internal insulating wall had been installed by the Landlord.

8. All curtains, carpets and white goods had been provided by the Tenant. Gas central heating existed with a radiator in each room. The electrical wiring was dated.

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's did not provide any comparables but did supply a written statement in the letter received by the rent officer dated on 3 December 2018, the relevant comments of which are dealt with above in paragraph 3. The Committee considered that comparable market rents within the Bangor area for a similar Property in good condition command rentals of around £110 per week. Demand for accommodation is high in Bangor because of students from the University seeking rental accommodation. The Tenant did not provide any comparables.

12. It is noted from the Rent Officer's documentation that he registered the rent of £87.00 per week, this being registered on the 21 November 2018. In determining the registered rent, the Rent Officer allowed as a starting point, a rent of £115.00 per week, and made adjustments from this of £6.00 per week concerning; age, character, etc. £6 for furniture, £6 disrepair, £6 improvements and £13.96 services, council tax etc. This produced an adjusted market rent of £104.96 per week. He further reduced the adjusted rent by £18.37

because of scarcity resulting in a fair rent of £87.00. 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 does not apply.

13. The Tenant had indicated to the Rent Officer [during consultation] she had had poor installation of double glazing and during the refurbishment this had caused water seepage from the bathroom. She further stated she had had to replaster all the walls in the living room and the Landlord had only repainted the exterior once in 19 years. The Tenant also considered that the service received was of low quality. Photographic evidence was provided by the Tenant to supplement her concerns.

13. The Committee considered and did take into account the Landlord's and Tenant's submission 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 £110.00 per week.

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

Market Rent per week	£110.00	
Less adjustments		
Age, character etc	£5.00	
Furniture	£5.00	
Disrepair	£5.00	
Service charges		£13.96
Adjusted market rent		£108.96
Less 15 % Scarcity		£16.34
Fair rent		£92.62
Fair Rent (rounded as appropriate)		£93.00

15. The Maximum Fair Rent Calculation is as follows;

RPI at last registration	263.1
RPI applicable in Dec 2018	285.0
Enhancement factor	0.05
Last registered rent	£82.00
Maximum Fair Rent	£93.00

16. The Maximum Fair Rent regulations do not apply and accordingly the Maximum Fair Rent is £93.00 per week.

It is declared the Committee has decided the fair rent for the Property shall be £93.00 per week from the 9 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