

## Appendix (i)

### Methodology for setting Intermediate Rents

#### Private Developers

1. The process for private developers is set out in the relevant S106 Agreement whereby they engage a Royal Institute of Chartered Surveyors (RICS) Surveyor to prepare a report advising of the open market rent. We accept three RICS surveyor reports or a RICS surveyor report and in addition two written reports from estate agents who operate in the area (not agents who have a purely online presence) and who are members of the National Association Estate Agents (NAEA). In the case of private developers, the information is submitted to DCC, who if satisfied the reports are correct and have no anomalies, will average the prices quoted in the reports and set the rent at 80% of this. Rent can be increased by the lesser of September CPI or RPI<sup>1</sup> on an annual basis.

#### Registered Social Landlords (RSLs)

2. RSL sites do not tend to have S106 Agreements for affordable housing, as this affects the level of funding, they are able to obtain from WG. RSLs need to have an indication of rent levels prior to development of a site whereas private developers have the benefit of ascertaining rent levels once the site is substantially built.
3. A review of the process which RSLs undertake to establish their intermediate rents, established that North Wales Housing, Cartrefi Conwy, Denbighshire County Council and Grŵp Cynefin all carried out desktop research using Zoopla and Rightmove to set their rents, although in areas where there was limited data, they would also commission a RICS report. Adra and Clwyd Alyn commission a RICS report on all new developments and Wales & West and First Choice Housing Association do not offer Intermediate Rent as a tenure option on their developments.

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<sup>1</sup> In line with UK uprating of benefits and private pension increases