


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0017/08/13
Address of Premises Flat 5 15 Ffordd Ruthin Denbigh LL16 3EH	The Committee members were Mrs A Lobley Mr R Davies Mr C Williams Mr B Brereton	
(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.	£73.32 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: 28 th October 2013 The new rent will apply from this date.		
(3) The rent is to be registered as variable.		
(4) The amount for services is:	£8.72 per week	
(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: The Service Charge is Variable		
Date of decision: <u>28th October 2013</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: N/A

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

Reference: RAC/0017/08/13

Property: Flat 5, 15 Fford Ruthin, Denbigh, LL16 3EH

Landlord: Cymdeithas Tai Clwyd Cyf

Tenant: Mr. D N Gage

COMMITTEE: A V S Lobley - Chairman
Mr. R Davies FRICS - Surveyor
Mr. C Williams FRICS - Surveyor
Mr. B. Brereton – Lay Member

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

1. We were duly convened as a rent assessment Committee under the provisions of the Rent Act 1977 on 28th October 2013 at Flat 5, 15 Fford Ruthin, (the Property). We had before us a reference from the Rent Officer in respect of the Property. The Landlord, Cymdeithas Tai Clwyd Cyf (Tai Clwyd), had made a late objection to the rent registered by the Rent Officer on 26th June 2013, on the grounds that the Rent Officer has included in the rent a non variable Service Charge. The matter was referred to the Residential Property Tribunal on 13th August 2013. On 21st August 2013, the President made an Order that the objection was accepted out of time as the Tribunal had received 7 other objections raising the same issue.

THE PROPERTY

2. The Property is a second floor, one bedroom flat located in what were formally two three-storey terraced houses which have been converted into 4 flats. It has a bathroom, kitchen and living room. There is a small garden to the front and larger garden at the rear and communal parking for 3 cars. The Property is in reasonable condition and has a good sized floor area but it is rather dark and in part the ceilings are sloping with restricted headroom. It has the benefit of new kitchen units provided by Tai Clwyd 3/4 years ago. There is gas central heating and double glazing. The communal areas appeared clean.
3. Mr. Gage holds a weekly tenancy entered into with Tai Clwyd on 14th December 1992. The rent was then £33.10 a week, including £4.60 Service Charge for maintenance of the fire alarm, TV aerial, cleaning of the general area and lighting of the public area. The tenancy agreement was varied pursuant to a notice served under Section 103 of the Housing Act 1985 by Tai Clwyd in May 2004. This provides, pursuant to clause 1.5, that the Service Charge shall be variable and will be reviewed at any time on the basis of the actual or estimated costs of the services provided.
4. However, since at least 2006, the rent had been registered by the Rent Officer with a non variable Service Charge. The last rent registered on 24th February 2011 had been £66 per week including Service Charges of £8.24.

5. The Rent Officer had assessed the fair rent as being £70.50 per week on 25th June 2013, starting with a market rent of £80 and deducting £4 in respect of the lack of carpets and curtains which would normally be provided by a Landlord in an open market letting, and also making a deduction of £13.68 for scarcity. The Rent of £70.50 includes a non variable Service Charge of £8.13 which was the Service Charge figure applied for by the Landlord.

THE HEARING

6. An Inspection was arranged for 28th October 2013 at 10:30 with a Hearing thereafter at 3:30pm at Eirianfa Community Centre, Factory Place, Denbigh LL16 3TS. The Committee attended at the time arranged and inspected the Property in the presence of the tenant. Tai Clwyd did not attend the Inspection. The Tenant told the Committee he had not objected to the rent registered and would not be attending the Hearing. Mrs Ellis Williams and Mr. Carroll attended the Hearing on behalf of Tai Clwyd. Mrs. Ellis Williams told the Committee that the Service Charge had been changed to a variable Service Charge in 2004 but this had not been picked up when applications were made to increase the fair rent. Tai Clwyd's objection to the rent registered was in order to rectify the error. She produced two schedules showing the Service Charges for 2012/13 and 2013/14 and explained charges were made for communal cleaning and electricity, fire equipment and depreciation which relates to the fire alarm system. The charges were based on the actual cost for the previous year with an uplift for management and inflation, 10% and 3% respectively. These percentages were based on guidance from their board. Mrs. Ellis Williams asked the Committee to register a variable Service Charge of £8.72 which are the figures for 2013/14, based on 2012/13 expenditure and which were not available when the application was made to the Rent Officer. She also told the Committee that due to changes in Housing Benefit, there was a demand for one bedroom accommodation and demand in the private sector had grown markedly in the last two years with diminished ability to buy new homes. There was a very good, healthy demand for their accommodation, on the basis of their rent levels. The most Tai Clwyd would charge would be £63 or £64 per week. The Local Housing Allowance rate paid by the local authority for a one bedroom flat was £80 per week for this area.

THE COMMITTEE'S FINDINGS

7. The Committee had to determine the fair rent, having regard to Section 70 of the Act which provides that regard shall be had to all the circumstances, and in particular, the age, character, locality and state of repair of the dwelling house. The Committee also had to calculate the maximum fair rent in accordance with the Rent Act (Maximum Fair Rent) Order 1999. Where the maximum fair rent applies, the rent to be registered is the lower of the fair rent and the maximum fair rent. The Committee, from its knowledge of rents in the area, considered that a market rent of £80 per week was reasonable. It was apparent from the Committee's Inspection that the property had the benefit of central heating, double glazing and a kitchen and bathroom so that the only adjustment that fell to be made was in respect of the lack of carpets and curtains. The Committee adjusted the rent figure by £4 to allow for this. The Committee also had to adjust the market rent to take account of matters which have to be disregarded under the Act, including scarcity which the Committee assessed at 15% and made a deduction of £11.40 for this. The Committee calculated the fair rent to be £73.32 including Service Charges of £8.72.
8. The Committee accepted the tenancy agreement provided for a variable Service Charge and considered the figure of £8.72 requested by the Landlord at the Hearing to be reasonable.
9. The Committee calculated the maximum fair rent to be £83.72, using a present RPI of 251, an RPI for the month of last registration of 231.3 and an enhancement value of 0.05. This gave a maximum fair rent of £83.72, including a variable Service Charge of £8.72. As the Maximum Fair Rent is higher than the Fair Rent the Order does not apply.
10. A summary of the Committee calculations of the Fair Rent and Maximum Fair Rent is attached.

11. The Committee determined that the Fair Rent to be registered is £73.32p per week inclusive of a Variable Service Charge of £8.72p.

DATED this 12th day of November 2013

A handwritten signature in cursive script, appearing to read 'A. Kelly', written in black ink.

CHAIRMAN

CALCULATION OF MARKET RENT

ADDRESS :- 10075 Ford Ruitan

Ref No :- 2AC/0017/08/13

DATE 28.10.13

MARKET RENT

£80

LESS ADJUSTMENTS (if appropriate)

Lack of Central Heating

£

Carpets / Curtains

£4

Basic Kitchen / Bathroom

£

Condition

£

Double Glazing

£

Other (specify)

£

4 = 00
£76

ADJUSTED MARKET RENT

Deduct for Scarcity at 15%

76 = 00.
£114

Fair Rent ' (Ex - Services)

£11 = 40.

£64.60

Add Services (if any)

£8.72

£75.82

CALCULATION OF "MAXIMUM FAIR RENTS"

Ref No:- 009/05/13

ADDRESS flats 15/16a Pictura
Daragh

DATE 28/10/13

R.P.I. figures are :-

(a) Present R.P.I. (published last month)

251.00

(b) R.P.I. for month of last registration

231.30

CALCULATION

Present R.P.I.

(a) 251.0

Less R.P.I. at last registration

(b) 231.3

(c) 19.7

Divide result by R.P.I. at last registration i.e. (c) by (b)

(c) 19.7 equals
 (b) 231.3

0.085107

(see note) Add 0.075 or 0.05

0.05

Add 1

0.135107

1.00

0.135107

Multiply by last registered rent
 net of variable services

Last registered rent £66
 Less variable services £

£16

£74.12

£75

£88.72

£83.72

wk/cm/pa

MAXIMUM FAIR RENT £ 83.72 per wk/cm/pa inclusive of £ 75 for Services
 (The Committee assessed a fair rent of £ 74.12 per wk/cm/pa inclusive of services)

NOTE :- if this is NOT the first application for registration after 1st February 1999 add 0.05.
 Add 0.075 if first registration after the limit was introduced.