

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC0013/05/16
Address of Premises 16 St Teilo's Court Sturminster Road Roath Cardiff CF23 5AX	The Committee members were Richard Payne Roger Baynham	
(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.	£388.43 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.	24.08.16	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£73.93 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:		
Date of decision: 24.08.16	 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: £388.43 per calendar month		

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

Reference: RAC/0013/05/16

Property: 16, St Teilo's Court, Sturminster Road, Roath, Cardiff, CF23 5AX

Applicant: United Welsh Housing Association Limited

Respondent: Mr H Tomos

COMMITTEE: Richard Payne
Roger Baynham

DECISION OF THE RENT ASSESSMENT COMMITTEE

The registered rent for 16 ,St Teilo's Court, Sturminster Road, Roath, Cardiff, CF23 5AX ("the property") is determined at £388.43 per calendar month.

The registration of the rent takes effect from 24th August 2016.

REASONS FOR DECISION.

Background

1. On 19th February 2016, the Applicant applied under s.67 of the Rent Act 1977 (RA) for registration of a fair rent. The Applicant sought a new weekly rent of £104.02 inclusive of services. This is equivalent to a rent of £450.75 per calendar month. The registered rent at the time of the application was £366.50 per calendar month, effective from 21st January 2014. The application to the Rent Officer for a new rent stated that the current rent was £87.42 per week.
2. The Rent Officer determined a new registered rent of £395.00 per calendar month to take effect from 11th April 2016. The Applicant appealed against the registered rent by letter to the Rent Officer dated 4th May 2016 and the matter was duly referred to the Rent Assessment Committee by the Rent Officer service by letter dated 23rd May 2016. In the Rent Officer's calculations, the Officer had reduced the administration charge levied by the Applicant for dealing with the service charge. The Applicant had been charging 12.5% of the weekly service charge and the Rent Officer reduced this to 10% of the charge.
3. In written representations to the Committee dated 7th June 2016, the Applicant indicated that it did not require a hearing but was clearly exercised by the Rent Officer's adjustment to the Administration Charge and commented that the Rent Officer had calculated the fair rent after making the reduction to the service charge administration percentage, resulting in a lower registered rent.

The Inspection

4. The Committee inspected the property on 24th August 2016. The Landlord had been notified of the date and time of the inspection but was not represented at the same. The Respondent tenant Mr Tomos was present throughout the inspection.

Situation & Description

5. St Teilo's Court is a collection of different flats on the site of a former Monastic training school converted circa 1980. The subject property is situated on a development in the Penylan/Roath area of the City of Cardiff and is within walking distance of local shops and other amenities are available in the shopping area of Albany Road and Wellfield Road which are one mile distant or in the City centre which is approximately two miles away.
6. The development consists of a mixture of different size flats comprising a converted monastic building, two converted semi-detached houses and some conventionally built apartments. The subject property is located on the third floor in part of the converted monastic building which has solid stone exterior walls with a slate roof. The access to the flat is via a communal hallway and then by a relatively narrow and steep staircase. There is no lift. External inspection revealed rotten fascia boards outside the kitchen and bathroom windows.
7. The accommodation comprises an entrance hall, living room, kitchen having dated base and wall units and also a narrow fire door which leads to an enclosed fire escape, a double bedroom and a bathroom with a w/c. The property has the benefit of gas central heating and double glazed upvc windows. Due to the nature of the original building this flat has relatively high ceilings and there is evidence of damp ingress around the window reveals and in a corner of the living room and also in the bedroom. The communal gardens are mainly laid in lawn with a flower and shrub border and there are communal rotary clothes lines and a bin store. There is a hard standing car park area (in relatively poor order) for ten cars although the flats do not have their own designated parking area.

The Law

8. Section 70 of the RA 1977 sets out the factors to be considered when determining a fair rent. In particular we are required to have regard to the age, character, locality and state of repair of the property.
9. At the same time, s.70 requires us to disregard:
 - The personal circumstances of the parties; (we draw Mr Tomos's attention to this because the law constrains us from considering the individual's circumstances and affordability.)
 - Any disrepair or other defect attributable to a failure by the tenant under the terms of the tenancy; and
 - Any improvements carried out by the tenant, other than as required under the tenancy.
10. We must also assume that the number of people seeking to become tenants of similar properties in the area on terms identical to the Respondent's tenancy (save as to rent) is not substantially greater than the number of such properties which are available to rent on such terms. In other words, we must make certain assumptions regarding scarcity and demand.

11. In addition, further regulation of Rent Act rents is provided by the Rent Acts (Maximum Fair Rent) Order 1999 ('the Maximum Fair Rent Order'), which places a cap on the permissible amount of the increase of a fair rent between one registration and the next. The cap is based upon the amount of increase in the Retail Prices Index between the dates of the two registrations.
12. By virtue of section 72 of the RA 1977, the registration of the rent takes effect from the date when the Committee reached its decision.

Representations before the Committee.

13. As indicated the Applicant had sent very basic written representations relating to the Rent Officer's adjustment to the administration charge. The Applicant also commented that the assured rent for a property of that size in a similar area would be £82.82 (per week) "and we haven't been given the MFR for this property". The Applicant had been notified of the date and time of the hearing but did not attend.
14. The Respondent attended at the hearing. He had sent in written representations in which he commented that he was reasonably content with the Rent Officer's proposed increase from £378.82 per calendar month to £395 per calendar month but that the Association had appealed and he foresaw that a further increase could cause him financial problems.
15. At the hearing, Mr Tomos referred to some areas of damp that had been pointed out to the Committee at the inspection, in the living room and the bedroom. He said that he has complained about this in the past and the Applicant considered it to be condensation damage. He confirmed that the flat was let unfurnished and without carpets and curtains and the flat's contents were his. He stated that the windows had been replaced about fifteen years ago but that the high ceilings made the flat expensive to heat.
16. Mr Tomos also referred to the windows in his living room having been cleaned approximately three weeks previously but that was the first time that he could remember those particular windows being cleaned and his tenancy commenced in 1986. He also described the access to the flat via the relatively narrow staircase and drew our attention to the fire escape in his kitchen which also served as the fire escape for the tenant from Flat number 15. With regard to market rents Mr Tomos explained that he did not have any specialist knowledge of the same and so was unable to make any submissions in this regard. He reiterated his concerns about the affordability of the rent for him if there were to be too great an increase.

Assessment of the rent

17. The starting point in assessing a rent under s.70 of the RA 1977 is to establish the market rent for the property. To that rent, a number of adjustments are made, to reflect the requirements of s.70.
18. The Rent Officer had provided information on a range of rents for one bedroom flats in the locality between £317.50 and £650 per month. Whilst the Rent Officer had considered the market rent to be £480 per month, considering all of the evidence and using our own skill and expertise and having regard to the size and location of the property, we consider that £450 per calendar month is the appropriate market rent. We bear in mind the limited and basic kitchen, with the narrow fire escape door inhibiting the use that can be made of the space, the basic bathroom and the difficult access to the property.

19. Carpets and curtains would usually be provided by the landlord in a rented property and for a market rent a prospective tenant would expect the bathroom and kitchen facilities to be superior to those in the property. We adjusted the monthly rent by £40 and £20 respectively to reflect this. We made a further adjustment of £10 per month in the light of the condition of the property overall and £10 to reflect the relative difficulties in accessing the property through the corridors and up the steep staircase.

20. On the issue of scarcity, the Rent Officer had made a deduction of 20%, from an adjusted market rent of £493.18, which figure included the services. We agree that there is a level of scarcity for properties of this nature in the locality, but consider that a deduction of 20% is too high. We therefore make a deduction of 15% for scarcity. This leaves a fair rent figure excluding services of £314.50 per month to which the figure for services will be added.

Calculations

21. Applying our findings and conclusions, we determined the monthly rent as follows:

	£	£
Market Rent		450
Less Adjustments (if appropriate)		
Carpets/Curtains	40.00	
Basic Kitchen/Bathroom	20.00	
Condition	10.00	
Other (see above)	<u>10.00</u>	
		<u>80.00</u>
Adjusted Market Rent		370.00
Deduct for Scarcity 15%	<u>55.50</u>	
Fair Rent (excluding services)		<u>314.50</u>
Add services (if any)		<u>73.93</u>
Fair Rent		388.43

22. We note that the Rent Officer reduced the Applicant's administration fee from 12.5% to 10% but we can see no reason to do this. We consider that the administration figure is reasonable given the nature of the development. We also note that the Rent Officer added the amount for services to the adjusted market rent and applied the scarcity percentage to the total figure. We take a different approach and apply the scarcity reduction to the adjusted rent exclusive of services.

23. We calculated the Maximum Fair Rent using the present RPI as at the date of inspection of 263.4 and determined the MFR as being £429.93. We are to determine the fair rent as being the lowest figure of the MFR or our fair rent calculation. The MFR therefore does not apply in this case. We note that the Applicant in their representations complained that they did not know what the MFR was but there is no reason why a professional landlord should be unable to undertake the calculations themselves.

Conclusion

24. The fair rent for the property is therefore £388.43 per calendar month.

25. The registration of the rent takes effect from 24th August 2016, the date we reached our decision.

DATED this 1st day of September 2016

A handwritten signature in black ink, consisting of a stylized 'C' followed by a loop and a horizontal line.

CHAIRMAN