

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC0011/05/16
Address of Premises 24 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.	£438.90 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:	£66.90 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: £440.90. MFR applies		

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

Reference: RAC/0011/05/16

Property: 24, St Teilo's Court, Sturminster Road, Roath, Cardiff, CF23 5AX

Applicant: United Welsh Housing Association Limited

Respondent: Ms G Williams

COMMITTEE: Richard Payne
Roger Baynham

DECISION OF THE RENT ASSESSMENT COMMITTEE

The registered rent for 24, St Teilo's Court, Sturminster Road, Roath, Cardiff, CF23 5AX ("the property") is determined at £438.90 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 £113.55 inclusive of services. This is equivalent to a rent of £492.05 per calendar month. The registered rent at the time of the application was £381.50 per calendar month, effective from 21st January 2014 inclusive of services. The application to the Rent Officer for a new rent stated that the current rent was £90.88 per week.
2. The Rent Officer determined a new registered rent of £415.00 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, pointing out that it could

charge between 10 and 15% and it had charged 12.5%. The Applicant 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 Ms Williams 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 comprises a ground floor flat located in one of the converted semi-detached houses. The building has solid stone walls which have been in part rendered and a slate roof.
7. The accommodation comprises a recessed communal entrance hall which provides access to this and the three other flats in the building, an entrance hall, living room, two double bedrooms, kitchen, and a bathroom with a w/c. The flat has the benefit of gas central heating and double glazed upvc windows. 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. This property also has the advantage of a large front garden which is in lawn. There is non designated car parking outside the building and also a hard standing area (in relatively poor order) for ten cars.

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;
 - 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 £93.44 (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 had sent in basic written representations by letter of 2nd July 2016 in which she said that she would be happy to pay the rent at the original amount of increase sought, namely £113.55 per week, but that she had noted that the Applicant had appealed and wished to raise the rent even further in which case the rent would likely be out of her budget.

Assessment of the rent

15. 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.
16. The Rent Officer had provided information on a range of rents for two bedroom flats in the locality between £115.38 and £675.00 per month. Whilst the Rent Officer had considered the market rent to be £550 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 £540 per calendar month is the appropriate market rent.
17. 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 of a higher standard than those in the property. We adjusted the monthly rent by £60 and £30 respectively to reflect this. We made a further adjustment of £10 per month in the light of the condition of the property overall.

This totals deductions of £100 per month from the market rent, leading to an adjusted figure of £440.00.

18. On the issue of scarcity, the Rent Officer had made a deduction of 20%, from an adjusted market rent of £518.66, 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 £374.00 per month to which the figure for services will be added.

Calculations

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

Market Rent	£	£
		540
Less Adjustments (if appropriate)		
Carpets/Curtains	60.00	
Basic Kitchen/Bathroom	30.00	
Condition	10.00	
		<u>100.00</u>
Adjusted Market Rent		440.00
Deduct for Scarcity 15%	<u>66.00</u>	
Fair Rent (excluding services)		<u>374.00</u>
Add services (if any)		<u>66.90</u>
Fair Rent		440.90

20. 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.

21. 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 £438.90 inclusive of services. We are to determine the fair rent as being the lowest figure of the MFR or our fair rent calculation. The MFR therefore applies 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

22. The fair rent for the property is therefore £438.90 per calendar month inclusive of £66.90 per calendar month for services.
23. The registration of the rent takes effect from 24th August 2016, the date we reached our decision.

DATED this 1st day of September 2016



CHAIRMAN