


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0016/08/13
Address of Premises 7 Llain Hiraethog Llansannon Denbigh LL16 5HX	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.	£82.34 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: 29 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:	£1.34 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>29th 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: £87.19		

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

Reference: RAC/0016/08/13

Property: 7, Llain Hiraethog, Llansannan, Denbigh LL16 5HX

Landlord: Cymdeithas Tai Clwyd Cyf

Tenant: Mrs A Roberts

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 7, Llain Hiraethog, Llansannan, Denbigh, (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 3 bedroom house terraced house in a terrace of 8 houses in the small village of Llansannan outside Denbigh, a quiet but popular village. It has a bathroom, kitchen and small back sitting room and a larger living room to the front. It has a small garden at the rear with access to an alleyway. The Property is in reasonable condition. It has the benefit of double glazing but not central heating. It has some storage heaters and electric fires The Landlord has provided the kitchen units, bathroom and Mira shower. Mrs. Roberts has lived at the Property over 30 years, her husband having entered into a tenancy with Tai Clwyd in 1982. 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.
3. 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 16th February 2011 had been £76.5 per week including Service Charges of £1.30. The Rent Officer had assessed the

fair rent as being £76.50 per week on 25th June 2013, starting with a market rent of £96 and deducting £8 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 £13.20 for scarcity. The Rent of £76.50 includes a non variable Service Charge of £1.30 which was the Service Charge figure applied for by the Landlord.

THE HEARING

4. An Inspection was arranged for 28th October 2013 at 1pm with a Hearing thereafter at 10am on 29th October 2013 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 she 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 maintenance of the car park, wooden decking to the front and the grass in front of the stream. 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 £1.34, the figure for 2013/14, based on 2012/13 expenditure and which was not available when the application was made to the Rent Officer. She also told the Committee that Llansannen was a popular village with lots of families and the local school had a waiting list. The most Tai Clwyd would charge would be £83.49 per week. The Local Housing Allowance rate paid by the local authority for a three bedroom house was £121.15 per week for this area.

THE COMMITTEE'S FINDINGS

5. 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 £110 per week was reasonable. It was apparent from the Committee's Inspection that the property had the benefit of double glazing and a kitchen and bathroom. The only adjustments that fell to be made were in respect of the lack of central heating, carpets and curtains. The Committee adjusted the rent figure by £3 and £6 respectively 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 £15.15 for this. The Committee calculated the fair rent to be £87.19 including Service Charges of £1.34.

6. The Committee accepted the tenancy agreement provided for a variable Service Charge and considered the figure of £1.34 requested by the Landlord at the Hearing to be reasonable.
7. The Committee calculated the maximum fair rent to be £81 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 £82.34p, including a variable Service Charge of £1.34. As the Maximum Fair Rent is lower than the Fair Rent the Order applies.
8. A summary of the Committee's calculations of the Fair Rent and Maximum Fair Rent is attached.
9. The Committee determined that the Rent to be registered is the Maximum Fair Rent of £82.34p per week inclusive of a Variable Service Charge of £1.34p.

DATED this 28th day of November 2013



CHAIRMAN

CALCULATION OF MARKET RENT

Ref No :- RAC/0016/08/13

ADDRESS :- FLLAIN HIRACTHOQ

DATE 29.10.13

MARKET RENT

€110

LESS ADJUSTMENTS (if appropriate)

Lack of Central Heating

€3

Carpets / Curtains

€6

Basic Kitchen / Bathroom

€

Condition

€

Double Glazing

€

Other (specify)

€ _____

€9

ADJUSTED MARKET RENT

€101

Deduct for Scarcity at %

€15.15

Fair Rent * (Ex - Services)

€85.85

Add Services (if any)

€ 1.34

€ 87.19.

CALCULATION OF "MAXIMUM FAIR RENTS"

Ref No:- PAC/004/08/13

ADDRESS 7 LLAIN HIRAEITHOG LLANFAWYR DATE 21.10.13
DONDIGIT LL16 5HX

R.P.I. figures are :-

(a) Present R.P.I. (published last month) 251
 (b) R.P.I. for month of last registration 231.30

CALCULATION

Present R.P.I. (a) 251
 Less R.P.I. at last registration (b) 231.30
 (c) 19.7

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

(c) 19.7 equals 0.0851707
 (b) 231.30

(see note) Add 0.075 or 0.05

0.1351707

Add 1

1.1351707

Multiply by last registered rent net of variable services

Last registered rent £ 71
 Less variable services £

£ 80.59

Round UP to nearest 50p

£ 81

Add variable services fixed by Committee

£ 1.34 wk/cm/pa
£ 82.34

MAXIMUM FAIR RENT £ 82.34 per wk/cm/pa inclusive of £ 71 for Services
 (The Committee assessed a fair rent of £ 71 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.

