


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0036/03/14 Wellington Mews
Address of Premises 7 Wellington Mews Wellington Street Canton Cardiff CF11 9BE	The Committee members were P. H. Williams R. W. 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.	£79 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.	19 th May 2014	
(3) The rent is not to be registered as variable.		
(4) The amount for services is:	£3.33 per calendar month	
(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	per	
(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: 19 th May 2014	 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: £		

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RESIDENTIAL PROPERTY TRIBUNAL

**RENT ASSESSMENT COMMITTEE
(Rent Act 1977)**

Reference: RAC/0036/03/14 Wellington Mews

Property: Number 7 Wellington Mews Wellington Street Canton Cardiff CF11 9BE (the Property)

Landlord: Melin Homes Limited

Tenant: Mrs E A Boyles

COMMITTEE: Chairman P H Williams
Surveyor R Baynham

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

The Reference

- 1) We were duly convened as a Rent Assessment Committee at the Tribunal's offices in Wood Street, Cardiff on the 19th May 2014. The Landlord had applied on the 8th November 2013 for the Property to be re-registered at £97.15 a week. It then stood at £64 a week according to the Rent register. The Rent Officer registered a new fair rent on the 17th January 2014 at £87.50 per calendar month (pcm) to include an insurance premium of £3.33. The Tenant holds a 75% share of the equity in the Property. The Rent Officer had noted on the register that had it not been for the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 (the Order) the uncapped fair rent would have been £385.92 pcm reducing to £125.76 because of the shared ownership

The Inspection

- 2) The Committee inspected the Property in the presence of the Tenant. The Property is a First and Second Floor Maisonette in a 3 storey development of 8 Units constructed in the mid 1960s and built in brick with a concrete tiled roof. The Property comprises an entrance hall, living room and kitchen and on the upper floor it has a landing, one double bedroom and one three quarter sized bedroom, and a bathroom with a bath (shower over), wash hand basin and water closet. There were 2 cupboards on the landing. The Property benefited from a full gas central heating system and UPVC double glazed windows. There is a car parking area to the rear with a designated space for the Tenant and there is a communal clothes drying area adjacent to the car park.

- 3) The development fronted a busy main road and was within walking distance of the City Centre and close to local shopping.

The Hearing

- 4) The Tenant attended the hearing but the Landlord did not. The Tenant confirmed that she had been paying rent of £64 pcm and not weekly and it is evident that the Rent register was incorrect in stating weekly. She had not appreciated that the Landlord had requested a rent of £70.27 a week although again this would seem to be an error and that the Landlord had intended to request monthly payments. She also stated that she had paid £90000.00 for her 75% share in 2005. She stated that whilst it was easy to let out the Units they were difficult to sell. In particular she stated that the occupier of Number 6 (who owns 50% of the equity) had tried to sell the unit in 2013 for £120000.00 before dropping the price to £117000.00 and then withdrawing it from the market. She advised that the owner of Unit 6 was paying £140.54 and that Unit 6 was slightly larger than her own so that she could not reconcile the rents for Unit 6 and her own Property. She believed that one of the Units was currently let out at around £500 pcm but she did not have any evidence of this. The Tenant then advised us of the improvements that she had carried out to the Property. In 2013 she had installed a new combination boiler at the cost of just over £2000. She replaced her front door with a stable door in 2005 at a cost of around £800. At the same time she replaced the single glazed with double glazed windows at a cost of £3500. She also replaced the sink unit and base units in the Kitchen and added wall units at a cost of about £4000, replaced the lino with ceramic tiles and is currently laying wood strips in the hallway and is intending to extend same into the kitchen. She had previously laid a laminate floor in the hallway. She confirmed that all the carpets, blinds and light fittings were owned by her. She had refitted the bathroom and added a shower and screen, and tiled the walls. She had fitted wardrobes in the both bedrooms. Originally there had been a communal pedestrian way outside her property at first floor level but she had removed a portion of the wooden rail and laid decking to extend into a balcony area and added metal rails. She and her neighbour had created the said clothes drying area adjacent to the car park for the benefit of the development. She considered it very unfair that the Landlord had refused to contribute to the cost of the replacement boiler and the windows when it still retained a quarter share of the equity and this was one of the main reasons for her objecting to a rent increase, apart from the fact that she considered such a substantial increase as being unjustified.
- 5) In accordance with section 70 (3) of the Rent Act 1977 we have disregarded all these improvements in assessing a fair rent. Finally, she confirmed that she was paying the Landlord the sum of £3.33 pcm as her contribution to the block insurance for the development.
- 6) The Property is a 2 bedroomed Maisonette in very good condition, largely through the efforts of the Tenant as regards the interior. The Rent officer has assessed a market rent of £625 pcm and then made deductions for the absence of carpets and curtains and for scarcity. We perused the Fair rent Valuation made by the Rent Officer for Unit 6 in December 2013 which is an identical property and discovered that the market rent had

been assessed at £500pcm compared with £625pcm for the Property only one month later. This is a considerable inconsistency and we concluded that the Rent Officer's assessment for Unit 6 was more apposite and correct and we have adopted £500 pcm as the market rent in order to be consistent. We agree that there should be a deduction for the absence of carpets and curtains but we have assessed the figure at £30. We have also deducted the sum of £10 for the original basic kitchen and bathroom as it is the Tenant who has brought same to a good condition. Further, we have made a deduction of £10 for the fact that the Tenant has upgraded the windows to double glazed units. We deal with scarcity below and we have made an adjustment for full repair liability of £90 to reflect the fact that the Tenant is in shared ownership. We have also added the variable service charge of £3.33 to the rent. Finally, we have adjusted the rent to reflect the 75% share of the equity that the Tenant has.

Scarcity

- 7) The Rent Officer has assessed scarcity at 15% and we concur with that figure as demand for rented property in the Canton area exceeds the supply. In accordance with Section 70 (2) of the Rent Act 1977 we have disregarded this element in assessing the fair rent.

Decision

- 8) We find that the market rent for the Property, in good condition and with central heating, and with a modern kitchen and bathroom is £500 pcm and we have deducted and adjusted as stated above.

	Market Rent	500.00
Less adjustments		
Absence of carpets and curtains	30.00	
Basic Kitchen/Bathroom	10.00	
Absence of double glazing	<u>10.00</u>	<u>50.00</u>
Adjusted Market Rent		450.00
Deduct for scarcity at 15%		<u>67.50</u>
Normal " Fair Rent "		382.50
Deduct		
Tenant's Repairing Liability	76.50	
Insurance Premium	<u>3.33</u>	<u>79.83</u>
		302.67
Less 75% Equity stake		<u>227.00</u>
		75.67
Add Services- Insurance Premium		<u>3.33</u>
Rent to be registered		<u>£79.00</u>

Maximum Fair Rent

9) We then considered the Order and concluded that it does not apply.

10) We accordingly determine that the Fair Rent to be registered shall be £79.00 pcm inclusive of Services of £3.33 but exclusive of rates and water rates.

11) It is recorded that this Committee made its decision on the 19th May 2014.

Dated this 4th day of July 2014

A handwritten signature in black ink, appearing to read 'P. Williams', is written above the title 'Chairman'.

Chairman