


**Rent Assessment Panel for Wales**

|   |  |  |
|---|--|--|
| <b>Notice of the Rent Assessment Committee Decision</b>   |  | File Reference Number:<br>RAC/0010/08/13 |
| Address of Premises<br>1 Crud y Gwynt<br>Bryn Selon<br>Denbigh<br>LL16 3YJ  | The Committee members were<br>Mrs A Lobley<br>Mr R Davies<br>Mr C Williams<br>Mr B Brereton                                    |  |
| (1) The Committee has decided that the rent for the above premises is:<br><br>The new rent will be entered by the rent officer in the rent register.  | £83.33 per week<br><br>(This amount excludes council tax and water rates but includes any amounts entered in boxes 3-5 below.) |  |
| (2) The effective date is: 29 <sup>th</sup> October 2013<br>The new rent will apply from this date.   |  |  |
| (3) The rent is to be registered as variable.   |  |  |
| (4) The amount for services is:   | £1.33 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>29<sup>th</sup> October 2013</u>   | Chairman<br><br>                           |  |
| <b>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.</b> |  |  |
| (8) The uncapped fair rent was: £88.88  |  |  |

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

**Reference:** RAC/0010/08/13

**Property:** 1, Crud y Gwynt, Bryn Seion, Denbigh, LL16 3YJ

**Landlord:** Cymdeithas Tai Clwyd

**Tenant:** Ms SJ Mansell

**COMMITTEE:** AVS 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 28<sup>th</sup> October 2013 at 1, Crud y Gwynt, Bryn Seion, Denbigh (the Property). We had before us a reference from the Rent Officer in respect of the Property. The Landlord, Cymdeithas Tai Clwyd (Tai Clwyd), had made an objection to the rent registered by the Rent Officer on 25th July 2013, on the grounds that the Rent Officer has included in the rent the Service Charge which is stated to be variable. The matter was referred to the Residential Property Tribunal on 13<sup>th</sup> August 2013.

**THE PROPERTY**

2. The Property is a 3 bedroom semi detached house on the edge of a council estate in Denbigh with a large kitchen, living room, bathroom and a downstairs toilet. There is a small garden to the rear. The property is in good condition and has private off road parking. The windows were replaced in 2010 and it has the benefit of central heating. The kitchen has new units provided by the landlord, who has also provided a Mira shower. The rear wall to the boundary of the property has collapsed and is being rebuilt.
3. Ms. Mansell had taken an assignment of a tenancy agreement for the Property in February 2000. 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 22nd March 2011 had been £72.50 per week.

5. The Rent Officer had assessed the fair rent as being £82 per week in 25th July 2013, starting with a market rent of £100 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 for of £14.40 for scarcity.

#### THE HEARING

6. An inspection was arranged for 28<sup>th</sup> October 2013 at 12:00 with a hearing thereafter at 10:00am 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's partner. Tai Clwyd did not attend the inspection. The tenant's partner told the Committee the tenant would not be attending the hearing. Mrs Ellis Williams 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 gardening and upkeep of the communal areas. The charges were based on the actual cost 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 £1.37, which are the figures for 2013/14, based on the 2012/13 expenditure and which were not available when the application was made to the Rent Officer. She also told the Committee that there was substantial demand for this kind of family accommodation in Denbigh. 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

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 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 central heating, double glazing and a kitchen and bathroom so that the only adjustment that fell to be made was in respect of carpets and curtains. The committee adjusted the rent figure by £7 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 scarcity at 15% and made a deduction of £15.45 for this. The committee calculated the Fair Rent to be £87.55.
8. The Committee accepted the tenancy agreement provided for a variable Service Charge and considered the figure of £1.33 requested by the Landlord at the Hearing to be reasonable.

9. The committee calculated the maximum fair rent to be £82, using a present RPI of 251, an RPI for the month of last registration of 232.5 and an enhancement value of 0.05. This gave a maximum fair rent of £82. As the Fair rent is higher than the Maximum Fair rent, the Order applies.
10. A summary of the Committee's calculations of the Fair Rent and the Maximum Fair rent is attached.
11. The Committee determined that the Rent to be registered is the Maximum Fair Rent of £83.33p per week inclusive of a Variable Service Charge of £1.33p.

DATED this 28<sup>th</sup> day of November 2013



CHAIRMAN

CALCULATION OF MARKET RENT

Ref No :- 21AC100108/13

ADDRESS :- 1 CRUD Y GWYNT BONBYSI

DATE 29.10.13

MARKET RENT

£110

LESS ADJUSTMENTS ( if appropriate )

Lack of Central Heating

£

Carpets / Curtains

£7

Basic Kitchen / Bathroom

£

Condition

£

Double Glazing

£

Other ( specify )

£

£103

ADJUSTED MARKET RENT

£

Deduct for Scarcity at %

£15.45

Fair Rent ' ( Ex - Services )

£87.55

Add Services ( if any )

£ 1.33

£ 88.88

CALCULATION OF "MAXIMUM FAIR RENTS"

Ref No:- RAC/0010/08/13

ADDRESS 1 CRUDY GWYNT DONBIGH

DATE 29.10.13

R.P.I. figures are :-

LL16 3YA

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

251

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

232.50

CALCULATION

Present R.P.I.

( a ) 251

Less R.P.I. at last registration

( b ) 232.5

( c ) 18.50

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

( c ) 18.50 equals  
( b ) 232.5

0.07956

( see note ) Add 0.075 or 0.05

Add 1

0.12956  
1.00

Multiply by last registered rent  
net of variable services

1.12956

Last registered rent  
Less variable services

£ 72.5  
£

£ 81.89  
£

Round UP to nearest 50p  
Add variable services fixed by Committee

£ 82  
£ 1.33 wk/cm/pa  
£ 83.33