

Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision	File Reference Number: 1036606/Park Terrace
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Address of Premises 18 Park Terrace Senghenydd Caerphilly CF83 4HG	The Committee members were Mr R Taylor (Lawyer Chair) Mr R Baynham FRICS
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(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.	81.38 per week (This amount excludes council tax and water rates but includes any amounts entered in boxes 3-5 below.)
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(2) The effective date is: The new rent will apply from this date.	27 November 2012
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(3) The rent is not to be registered as variable.

(4) The amount for services is:	na
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(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	na
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(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: na
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Date of decision: <u>27 November 2012</u>	 Chairman
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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: na

EXAMPLES OF HOW THE MAXIMUM FAIR RENT IS CALCULATED

Example 1 – The rent officer’s decision

The rent officer receives an application for the rent of 1A Acacia Avenue to be re-registered. The rent was last registered at £200 per month in March 2009. The published RPI (all items) for the month of March 2009 was 211.3. The rent officer is to register the rent on 31 March 2011. The latest published RPI (all items) on the first day of March 2011 is 229.0.

Firstly, the rent officer works out the change in the RPI since the last registration was made:

$$229.0 - 211.3 = 17.7.$$

He divides the result by the RPI figure for the month when the last rent registration was made to get the proportionate change:

$$17.7 \div 211.3 = 0.0837671.$$

He then adds the equivalent of an additional 5% (7.5% if this is the first application for registration after the limit was introduced, subsequent registrations will be 5%).

$$0.0837671 + 0.5 = 0.1337671.$$

He then adds 1 = 1.1337671.

He then multiplies the result by the existing registered rent:

$$£200 \times 1.1337671 = £226.75.$$

He then rounds the result up to the nearest 50 pence. The maximum fair rent the rent officer could register is therefore £227 per month.

Y Tribiwnlys Eiddo Preswyl

Residential Property Tribunal

Rent Assessment Committee (Wales)

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REASONS FOR DECISION OF RENT ASSESMENT COMMITTEE (WALES) Rent Act 1977 s.70

Premises: 18 Park Terrace, Senghenydd, Caerphilly, CF83 4HG (“the property”)

Ref: 1036606/Park Terrace

Order: 27 November 2012

Tenant: Ms H Davies

Landlord: United Welsh Housing Association

Members of Tribunal: Mr R S Taylor – Lawyer Chairman
Mr R Baynham FRICS

DECISION

1. The fair rent for the property shall be registered in the sum of £81.38 per week, which shall apply from the 27 November 2012

27 November 2012

A handwritten signature in black ink, appearing to read 'Rhys Taylor'. The signature is written in a cursive style with a large initial 'R'.

Rhys Taylor - Chairman

REASONS

Background.

1. This is an appeal concerning the decision of a Rent Officer dated 30 July 2012, concerning the registration of a fair rent for the property.
2. By application dated 25 April 2012 the landlord applied for the rent to be registered at £92.74 per week.
3. The previous rent, registered on 1 December 2009, was for £72.50 per week, effective from 1 December 2009.
4. The Rent Officer registered a new fair rent on the 30 July 2012 in the sum of £79.50 per week, to be effective from 30 July 2012.
5. The landlord objected to this figure in a letter dated 22 August 2012 and the Rent Officer accordingly referred the matter to us.

Inspection.

6. The committee inspected the property on the 26 November 2012.
7. Senghenydd is located approximately 5 miles north west of Caerphilly. It is a small former mining village which has few local amenities. The property is a mid terrace, two storey residential dwelling house, constructed 1900 or before, situated on the northern outskirts of the village.
8. The property comprises a flat fronted (i.e. without forecourt) house which has a stone and brick front elevation and cement rendering to the rear. The accommodation on the ground floor comprises an entrance hall, lounge/dining room, kitchen and bathroom (which has been adapted as a wetroom with disabled shower) with separate WC. On the first floor there is a landing reached by a steep staircase, two double bedrooms and a single bedroom. There is a raised rear garden with a pedestrian access from the road to the rear of the property in addition to access via the kitchen.
9. The property has the benefit of UPVC double glazed windows throughout and UPVC front and rear doors, together with gas central heating.

Written submissions

10. The Landlord has indicated that it does not require a hearing. Its written submissions are limited to the point that the rent of £79.50 per week is less than the RPI index annual increase on the previous rent. It should be noted that s.70 Rent Act provides a statutory mechanism for determining fair rents which we have followed; the scheme of the Rent Act does not simply require us to inflate rent by the RPI figure.
11. The tenant has completed the committee's pro forma tick box form indicating that she does not wish to have a hearing and that she does not wish us to consider any written representations in her behalf.

Market rent.

12. Applying our knowledge and expertise as an expert committee, we determine that the market rent for this property should be £104 per week.

s.70 Rent Act adjustments

13. From the headline figure we must make the adjustments pursuant to s.70 of the Rent Act 1977. We make the following deductions:-
 - a. £5 per week for lack of carpets and curtains; and
 - b. £6 per week for basic fittings in kitchen and bathroom.

14. This means we have a total of £11 per week to come off the market rent of £104 per week. This results in an adjusted market rent of £93 per week

Scarcity

15. The Rent Officer has selected a scarcity discount of 15%. Applying the committee's own knowledge and expertise we would adjust this figure to 12.5%. We adopt this figure given the wide geographical area in which the property is situated. In the "M4 corridor" of

South Wales and its environs the committee usually provides for a 15% discount, given the general demand in a higher populated area. We take the view that the property is situated in an area which is different in its population and rental patterns, such as to justify the lower discount figure.

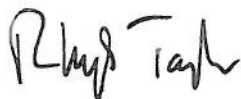
16. This leaves a fair rent of £81.38 per month.

Maximum Fair Rents Order 1999

17. The Rent Acts (Maximum Fair Rent) Order does not apply in this case. The MFR in this case is £85 per week. We have appended our calculation which arrived at that figure to this decision.

18. The fair rent shall therefore be registered as £81.38 per week.

Rhys Taylor – legal chairman.

A handwritten signature in black ink that reads "Rhys Taylor". The signature is written in a cursive, slightly slanted style.

27 November 2012

