


Rent Assessment Panel for Wales

Notice of the Rent Assessment Committee Decision		File Reference Number: RAC/0013/08/13
Address of Premises 5 Treforfa Villas Llangollen LL20 7TB	The Committee members were Mr J D M Jones Mr C H Williams Mr WD 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.	£63.62 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: 15 th November 2013 The new rent will apply from this date.		
(3) The rent is to be registered as variable.		
(4) The amount for services is:	£4.62 pence 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>15th November 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: N/A		

Y Tribiwnlys Eiddo Preswyl
Residential Property Tribunal
Rent Assessment Committee
(Rent Act 1977)

Reference: **RAC/0013/08/13**
Property: **FLAT 5, TREFORFA VILLAS, TREFOR, LLANGOLLEN, L20 7TB**
Landlord: **Cymdeithas Tai Clwyd**
Tenant: **Mr. D McGahey**

COMMITTEE: **J D M Jones**
C H Williams
W D Brerton

CERTIFICATE OF RECTIFICATION

By a Decision dated 15th November 2013 it was stated that the Fair Rent for the above property was assessed to be £59.00 inclusive of £4.62 Service Charge. This has found to be a clerical error and the correct rent is £63.62 inclusive of £4.62 Service Charge to take effect from the date of the Decision.

In accordance with Rule 10(2) of the Rent Assessment Committees (England and Wales) Regulations 1971, the Decision is rectified accordingly.

Dated this 27th day of November 2013



JDM Jones
Chairman

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REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

1. We were duly convened as the Rent Assessment Committee under the provisions of the Rent Act 1977 (the Act) on the 15th November 2013 at the Band Room, Parade Street, Llangollen. We had before us a reference from the Rent Officer in respect of Flat 5 Treforfa Villas, Trefor, Llangollen (the Property). Cymdeithas Tai Clwyd Cyf (the Landlord) objected to the registration of a fair rent on the 15th July 2013 on the basis that it included in the rent a non-variable service charge.

The Property

2. The Property is a first floor one bed flat located in what appears to have been a converted house. It is located in the village of Trefor fronting the main road from Llangollen to Ruabon. There are some facilities available in the village but it is quite close to both Llangollen and Ruabon and with good communications. There is a communal car park at the rear of the Property and this is approached along an unmade road. There is also a small paved area to the front.
3. The Property appears to be in fair condition. It has double glazing and central heating. The accommodation comprises a small kitchen, basic bathroom, living room and bedroom. There is some storage available in the inner hall. The Property is connected to all main services.
4. The Committee inspected the property on the morning of the 15th November 2013 in the presence of the Tenant and Mrs. Ellis-Williams representing the Landlord. The Tenant indicated that he did not propose to attend the Hearing.
5. The Tenancy commenced on the 6th April 1987 and was subsequently varied pursuant to a notice served under section 103 of the Housing Act 1985 in May 2004. Clause 1.5 of the Agreement provides that the service charge shall be variable "services will be reviewed at any time on the basis of the actual or estimated costs of the services provided".
6. Notwithstanding this the rent has been registered with a non-variable service charge. The rent register on the 15th July 2013 was £62.00 per week effective from that date. The amount noted for services was £4.82 per week.

7. The Rent Officer's calculations have been made available to us and it is noted that he considers the marker rent for the property to be £75.00 per week from which he made deductions for various matters identified of section 70 of the Act – including scarcity. The rent included a non-variable service charge of £4.82 per week being the figure requested by the Landlord.

The Hearing

8. The Hearing took place following the inspection that took place on the 15th November 2013. The Landlord was represented by Mrs. M Ellis-Williams. The Tenant did not attend and was not represented.
9. Mrs. Ellis-Williams told the Committee that the service charge had become variable by reason of the Agreement made in 2004 but this had not been noted in the subsequent rent registrations. The Landlord now wished this to be rectified and the appeal was in relation to this and was not an objection to the Rent Officer's other calculations.
10. Mrs. Ellis-Williams produced a schedule of the service charge for 2013-14. This had been revised in October 2013 following a letter being sent to the Tenants in August. It is noted from the schedule that the following services were included:

a. Communal electricity	£0.81p	
b. Fire equipment	£2.42	
c. Depreciation	£0.49	
d. TV relay	£0.90	= £4.62

She explained that the charges were based on the actual cost of the previous year with an uplift of 10% for management and 3% for inflation. The depreciation element related to the fire equipment.

11. Mrs. Ellis-Williams said that there was considerable demand for one bed flats of this type in this locality and acknowledged that there is scarcity. She said that the Landlord's benchmark rent is £65.10 per week and the Landlord would not charge more than that.

The Committee's Findings

12. The Committee is required to determine the fair rent having regard to section 70 of the Act; it has to have regard to all of the circumstances and in particular to the age, character, locality and state of repair of the property. The Committee also has to calculate the maximum fair rent in accordance with the 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.
13. The Committee using its knowledge of rents in the area, considered that a market rent should be £75.00 per week. This has to be adjusted as the Landlord did not supply carpets and curtains and the property has only a basic kitchen and bathroom. It does however have central heating and double glazing. The Committee made an adjustment of £6 per week to reflect these matters.
14. The Committee is also required to adjust the rent for scarcity. We are satisfied on the evidence that demand for this type of property in the area exceeds supply and that there is scarcity. We assess this at 15%. The Committee calculate the fair rent to be £63.62 including a service charge of £4.62.
15. The Committee accept that the Tenancy Agreement provides for a variable service charge and considers the service charge of £4.62 requested by the Landlord at the Hearing to be reasonable.
16. The Committee calculates the maximum fair rent to be £69.50 using a present RPI of 251.09, an RPI for the month of the last registration of 232.50 and an enhancement value of 0.05. This gives a maximum fair rent of £69.12 inclusive of the variable service charge being £4.62. As the maximum fair rent is higher than the fair rent the order does not apply.
17. The Committee determined that the fair rent to be registered is £63.62 per week inclusive of a variable service charge of £4.62.

Dated this 27th day of November 2013



JDM Jones
Chairman