

**Rent Assessment Panel for Wales**

<b>Notice of the Rent Assessment Committee Decision</b>	File Reference Number: 1018184/Carmarthen Road
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Address of Premises  866A Carmarthen Road Fforestfach Swansea SA5 8HR	The Committee members were Mr. S Povey (Chairman) Mr. M Abraham
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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.	£91.00 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.	20 <sup>th</sup> August 2012
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(3) The rent is not to be registered as variable.
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(4) The amount for services is:	per
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(5) The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is:	per
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(6) The rent is exempt from the maximum fair rent because of repairs or improvements carried out by the landlord.
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(7) Details (other than rent) where different from Rent Register entry:
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Date of decision: <u>20<sup>th</sup> August 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: £91.00 per week
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## 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%).

$$0.0837671 + 0.05 = 0.1337671.$$

$$\text{He then adds } 1 = 1.1337671.$$

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.

**Residential Property Tribunal (Wales)**

Rent Assessment Committee

Reference: 1018184/Carmarthen Road

**TRIBUNAL**

Mr S. Povey  
Mr M. Abraham

**CHAIRMAN**

Mr S. Povey

In the matter of the determination by a Rent Assessment Committee of a fair rent under section 70 of and Schedule 10 to the Rent Act 1977.

Name of property: **866A CARMARTHEN ROAD, FFORESTFACH,  
SWANSEA SA5 8HR**

Applicant: **MR N ZAPETTIS**

Respondent: **MR & MRS A MORRIS**

## **Decision**

The registered rent for 866A Carmarthen Road, Fforestfach, Swansea SA5 8HR is determined at £91 per week/£394.33 per month.

The registration of the rent takes effect from 20<sup>th</sup> August 2012.

## **Background**

1. The Applicant, Mr Nicholas Zapettis, is the landlord of 866A Carmarthen Road, Fforestfach, Swansea SA5 8HR ('the property'). The Rent Act protected tenants and Respondents are Allan and Angela Morris. The tenancy began in 1986.
2. On 16<sup>th</sup> April 2012, Mr Zapettis applied under s.67 of the Rent Act 1977 for registration of a fair rent. The rent had been £195.50 per month (£45.35 per week) since the last registration in October 2007. Mr Zapettis sought a new rent of £500 per month (£115.38 per week).
3. Pursuant to the application, the rent officer registered a rent of £236.50 per month (54.58 per week) effective from 18<sup>th</sup> May 2012. The Rent Acts (Maximum Fair Rent) Order 1999 was applied to the assessment carried out by the rent officer.
4. By a letter dated 19<sup>th</sup> May 2012, Mr Zapettis objected to the rent officer's determination. On 23<sup>rd</sup> May 2012, and by reason of Paragraph 6, Schedule 10 to the Rent Act 1977, the rent officer referred the matter to the Rent Assessment Committee of the Residential Property Tribunal ('the Tribunal').



5. The Tribunal received written submissions from the Applicant, who also indicated that he was content for the matter to be determined without a hearing. The Respondents also confirmed to the Tribunal during the course of its inspection of the property that they were similarly content for the matter to be determined without a hearing.
  
6. On 10<sup>th</sup> July 2012, the Tribunal received an email from Simon Bebb, Valuation Team Manager for the Rent Officers Wales. In it he stated the following:

*It would appear that the Rent Officer paid no regard to the substantial improvements made by the landlord on the Application for Registration of Fair Rent – Question 15 and unjustly (in my opinion) calculated and registered the Maximum Fair Rent Cap.*

### **The Inspection**

7. The Tribunal inspected the property on 25<sup>th</sup> July 2012 in Mr and Mrs Morris' presence. There was no attendance by Mr Zapettis.
  
8. The property is an end of terrace pre 1919 maisonette of traditional construction. It fronts a busy main road leading to the M4 some two miles north west of the city centre. The area itself has both commercial and residential uses. The building has rendered and coloured elevations under a slate roof, the windows are UPVC double glazed. The accommodation is on two floors the ground floor comprising long entrance hall, living room and fitted kitchen. Stairs lead to the first floor which has four bedrooms plus a bathroom with suite. The property has full gas central heating with the boiler being on the first floor. Externally there is no frontage as the door opens on to the footpath. At the rear there is a large enclosed garden with a garden

shed which is accessed from the kitchen. The garage and side entrance are under the control of the landlord.

9. We were informed by the Respondents that the Applicant had installed uPVC windows and gas central heating throughout the property (replacing the existing night storage heaters). In addition, the Applicant had had installed a new shower, although the same had been purchased by the Respondents. The Applicant also replaced the toilet and sink and laid new flooring in the bathroom. In the kitchen, the Applicant undertook refurbishments, replacing the wall units and flooring.
10. The Respondents also informed us that they had provided all the carpets, furniture, white goods and furnishings in the property.
11. Externally, we were informed that the Applicant makes use of the garage but provided and installed a new shed for the Respondents use.
12. We were informed by the Respondents that since the kitchen had been refurbished, there was some minor damp and mould growth. In addition, there was damp in the sitting room where the chimney breast had been blocked up many years ago.
13. Following the inspection, the Tribunal convened to consider its decision. Neither party chose to attend the said hearing.

## **The Law**

14. Section 70 of the Rent Act 1977 sets out the factors to be considered when determining a fair rent. In particular, and of relevance to this application, we

are required to have regard to the age, character, locality and state of repair of the property.

15. At the same time, s.70 requires us to disregard:

- 15.1. The personal circumstances of the parties;
- 15.2. Any disrepair or other defect attributable to a failure by the Respondents under the terms of the tenancy;
- 15.3. Any improvements carried out by the Respondents, other than as required under the tenancy

16. We must also assume that the number of people seeking to become tenants of similar properties in the area on terms identical to the Respondents' tenancy (save as to rent) is not substantially greater than the number of such properties which are available to rent on such terms. In other words, we must make certain assumptions regarding scarcity and demand.

17. In addition, further regulation of Rent Act rents is provided by the Rent Acts (Maximum Fair Rent) Order 1999 ('the Maximum Fair Rent Order'), which places a cap on the permissible amount of the increase of a fair rent between one registration and the next. The cap is based upon the amount of increase in the Retail Prices Index between the dates of the two registrations. However, where a change in the condition of the property as a result of repairs or improvements by the landlord results in a new rent being determined that exceeds the previous registered rent by 15%, the cap does not apply.

18. By virtue of section 72 of the Rent Act 1977, the registration of the rent takes effect from the date when we as the Tribunal reached our decision.

## **Findings of Fact & Conclusions**

19. The starting point in assessing a rent under s.70 Rent Act 1977 is to establish the market rent for the property. To that rent, a number of adjustments are made, to reflect the requirements of s.70.
20. We were provided with evidence of comparable rents by the Applicant. The rent officer had had regard to a range of rents in the Swansea area but we were not provided with the addresses of these properties. Based upon that evidence, the rent officer set the market rent for the property at £433.33 per month.
21. Using our own skill and expertise, given the deceptive size of the property and its current condition, we believe that a market rent of £500 per month is more realistic and appropriate. This equates to £115.38 per week.
22. We would expect carpets and curtains to usually be provided by the landlord in a rented property and therefore deduct £6 from the weekly market rent, to reflect this.
23. We make no adjustment for the kitchen or bathroom facilities or the heating system, all of which have either been provided or substantially upgraded by the Applicant.
24. The overall condition of the property is good, with central heating and double glazing provided by the Applicant. There are some minor damp issue, for which we make a deduction of £2.
25. For scarcity, we are satisfied that there is a degree of scarcity for this type of property and make an adjustment of 15% to reflect this.



## Calculations

26. Applying our findings and conclusions, we have determined the rent as follows:

	£	£
Market Rent		115.38
Less Adjustments (if appropriate)		
Lack of Central Heating	0.00	
Carpets/Curtains	6.00	
Basic Kitchen/Bathroom	0.00	
Condition	2.00	
Double Glazing	0.00	
Other (specify)	0.00	
		<u>8.00</u>
Adjusted Market Rent		107.38
Deduct for Scarcity 15%		<u>16.11</u>
Fair Rent (excl services)		91.27
Add services (if any)		0.00
<b>Fair Rent (to nearest 50p)</b>		<b>91.00</b>

27. Under the Maximum Fair Rent Order, the capped fair rent is £55.00 per week. There is an increase in excess of 15% between the above determined fair rent and the current registered fair rent of 45.35 per week. A 15%

increase would be £6.80 per week. The difference between the current registered rent and our determination is £36. We are satisfied that the improvements carried out by the Applicant and detailed above account for more than 15% of the increase that we have determined. Therefore, the Maximum Fair Rent Order does not apply.

### **Conclusion**

28. The fair rent for the property is determined at £91.00 per week, which equates to £394.33 per month.

29. The registration of the rent takes effect from 20<sup>th</sup> August 2012, the date we reached our decision.

22<sup>nd</sup> August 2012

A handwritten signature in black ink, appearing to read 'Stephen Povey', with a horizontal line underneath the name.

Stephen Povey  
Chairman