Notice of the Tribunal Decision

Rent Act 1977 Schedule 11

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MAXIMUM FAIR RENT CALCULATION

LATEST RPI FIGURE		X	301.9			
PREVIOUS RPI FIGURE		Υ	288.2			
X	301.9	Minus Y	288.2	= (A)	13.7	
(A)	13.7	Divided by Y	288.2	= (B)	0.0475	
First application for re-registration since 1 February 1999 NO						
If yes (B) plus 1.075 = (C)						
If no (B) plus 1.0	05 = (C)	1.0975				
Last registered rent*		£230.00	Multiplied by (C) = 252.42		252.42	
*(exclusive of any variable service charge)						
Rounded up to I	nearest 50p =	£252.50				
Variable service charge		NO				
If YES add amou	unt for services					
MAXIMUM FAIR RENT =		£252.50	I	Per	Week	

Explanatory Note

- 1. The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.
- 2. In summary, the formula provides for the maximum fair rent to be calculated by:
 - (a) increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and
 - (b) adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).
 - A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B).

The result is rounded up to the nearest 50 pence.

- 3. For the purposes of the calculation the latest RPI figure (x) is that published in the calendar month immediately before the month in which the Tribunal's fair rent determination was made.
- 4. The process differs where the tenancy agreement contains a variable service charge and the rent is to be registered as variable under section 71(4) of the Rent Act 1977. In such a case the variable service charge is removed before applying the formula. When the amount determined by the application of the formula is ascertained the service charge is then added to that sum in order to produce the maximum fair rent.