

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 25th JULY 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 247A BANBURY ROAD, OXFORD, OXFORDSHIRE OX2 7HN

File Reference No.:	CAM/38UC/F77/2006/0056
Landlord:	Area Estates Ltd
Landlord's Agent:	Hamways Chartered Surveyors, 29 Station Road West, Oxted, Surrey RH8 9EE
Tenant:	Mr AR McDougle
Existing Rent:	£418.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £550.00 per calendar month
Rent Proposed by Landlords:	£1250.00 per calendar month
Rent Determined by Rent Officer:	£484.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £605.50 per calendar month
Rent Determined by Committee:	£490.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £490.00)
Members of the Committee:	Mr JR Morris (Chairman) Mr RC Petty FRICS Mrs N Bhatti
Clerk to the Committee:	Mr J Childe

The Tenancy:

The tenancy appears to have commenced as a contractual monthly tenancy on the 14th January 1980 (copy provided) and is now a statutory tenancy. The tenancy is subject to Section 11 of the Landlord and Tenant Act 1985.

The Application:

A rent of £418.00 per calendar month was last registered on 8th August 2002 and effective from that date which was a capped rent under the Rent Acts (Maximum Fair Rent) Order 1999. The Landlord by a notice in the prescribed form received by the Rent Service on the 21st April 2006 proposed a new rent of £1250.00 per calendar month. On the 16th May 2006 the Rent Officer registered a rent effective from that date of £484.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £605.50 per calendar month). On the 1st June 2006 the Landlord applied to the Rent Assessment Panel.

The Property:

The property is a converted self-contained first floor flat located above the National Westminster Bank on Banbury Road, Oxford. The building was originally a semi-detached house constructed circa 1920s of brick under a tile roof. There is a door entry system from the street, which gives access to a shared path at the side of the building leading to the rear where there are external stairs to the Property and the flat next door. The Property comprises a corridor off which are a kitchen, bathroom two bedrooms and a living room. As let space heating is by open fires and water heating is by an electric immersion heater. The property has mains electricity, water and drainage. The property is let unfurnished.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in fair condition. Internally there is a dated and basic kitchen and bathroom. There is an inadequate number of electrical sockets by modern standards. Carpets, curtains and white goods are not provided. There is no off road parking. The property is situated close to amenities of shopping schools etc.

However the commercial premises on the ground floor and next door have noisy air conditioning units.

Law:

Attached to this Statement of Reasons is a resumé of the law applied by the Committee.

Open Market Rent

Neither party submitted evidence of rents for comparable properties therefore the Committee used the experience of its members. It determined that a market rent for a property similar to the subject property, taking into account its location, in good condition with central heating, modern kitchen and bathroom, and let with some carpets, curtains and white goods on an Assured Shorthold Tenancy would be £825.00 per calendar month. However the Committee considered that a global deduction of £250.00 per calendar month should be made in respect of the subject property for the need for external re-decoration, the dated kitchen and bathroom and limited electrical sockets and the lack of central heating, carpets, curtains or white goods. It should be noted that this figure cannot be a simple arithmetical calculation and is not based specifically upon capital cost but is the Committee's estimate of the amount by which the rent would have to be reduced to attract a tenant.

Scarcity

It was decided that there is substantial scarcity of "... similar dwelling-houses in the locality..." in this case Oxfordshire that are available for letting and a deduction would be made to reflect this of 15 %

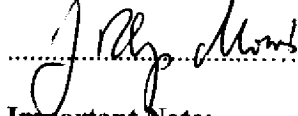
Committee's Calculations:

Open Market Rent:	£825.00 per calendar month
Less global deduction	<u>£250.00 per calendar month</u>
	£574.00 per calendar month
Less Scarcity 15%	<u>£86.25 per calendar month</u>
	£ 488.75 per calendar month

'Uncapped' fair rent say £490.00 per calendar month

The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 require that the registered rent is either the capped Fair Rent or the Fair Rent decided by the Committee whichever is the lower. The capped Fair Rent is calculated in accordance with a statutory formula using the existing rent as a base. The capped rent in this case is £490.00 per calendar month, which is the same as the Fair Rent assessed by the Committee and therefore the Fair Rent is to be registered.

FAIR RENT = £490.00 per calendar month

.....JR Morris, Chairman

Important Note:

This is a summary of the Committee's reasons for its decision. Should you require more detailed reasons, they can be supplied but only if a written request for such reasons is received by the Panel Office within 21 days form the receipt of this document. The papers will then be returned to the Chair for such detailed reasons to be prepared.

Caution: The Committee inspected the subject property for the purposes of reaching this decision. The inspection was not a structural survey and any comments about the condition of the property in this Statement must not be relied upon as a guide to the structural or other condition of the property.