

## **EASTERN RENT ASSESSMENT PANEL**

### **STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 29<sup>th</sup> JULY 2005 TO DETERMINE A FAIR RENT IN RESPECT OF FLAT 11, 2 SHAKESPEARE ROAD, BEDFORD**

File Reference No.: CAM/09UD/F77/2005/0063

Landlord: Orbit Housing Association, Garden Court Harry Weston Road, Binley Business Park, Coventry CV3 2SU

Tenant: Miss J Darrington

Previous Registered Rent: £60.50 (including £6.34 services) per week capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £64.00 per week)

Rent Proposed by Landlords: £73.69 (including 8.80 services) per week amended to £61.14 (including £8.63 services) per week

Rent Determined by Rent Officer: £67.00 (including £8.80 services) per week capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £70.00 per week)

Rent Determined by Committee: £67.50 (including £8.63 services) per week capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £75.00 per week)

Members of the Committee: Mr JR Morris (Chairman)  
Mr JR Humphrys FRICS  
Mrs J De M Ambrose

Clerk to the Committee: Mr J Childe

#### **The Tenancy:**

The tenancy appears to be a contractual weekly periodic tenancy, which commenced on 16<sup>th</sup> September 1982.

#### **The Application:**

The Landlord by a notice in the prescribed form served on the 5<sup>th</sup> March 2005 proposed a new rent of £73.69 (including 8.80 services) per week subsequently amended to £61.14 (including £8.63 services) per week. On the 24<sup>th</sup> May 2005 the Rent Officer registered a rent effective from that date of £67.00 (including £8.80 services) per week, which was capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £70.00 per week. On 1<sup>st</sup> June 2005 the Tenant applied to the Rent Assessment Panel.

#### **The Property:**

The Property is a converted self-contained second floor flat in a substantial detached three-storey Victorian Building constructed in 1884 of brick under a pitched tiled roof. Access to the Building is through a common hallway and stairs. There is a door entry system. The Committee were unable to obtain access for an internal inspection of the Property and so had to rely on the Rent Register, which describes the Property as comprising two rooms, a kitchen and bathroom with wc. Outside there are communal gardens and parking area. There is no central heating. The Property is let unfurnished and carpets curtains and white goods are not provided.

#### **Condition:**

The exterior of the property is in fair to good condition. The internally the common parts are in fair to poor condition. The Building is situated on the edge of Bedford town centre.

#### **Law:**

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

### **Open Market Rent**

Neither the Landlord nor the Tenant submitted any examples of comparable rents of similar properties to the subject property. Therefore the members of the Committee relied upon the knowledge and experience of its members and found that a similar property let on an Assured Shorthold tenancy in good condition with central heating, a modern kitchen and bathroom with double glazing together with carpets, curtains, white goods and the services (the account of which the Committee accepted) would be £110.00 per week. However the Committee made a global deduction of £27.00 per week to take account of the lack of central heating, carpets, curtains and 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**

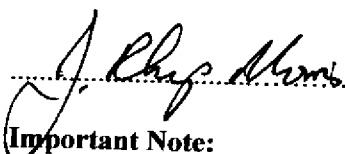
It was decided that there is substantial scarcity of "... similar dwelling-houses in the locality..." in this case is Bedfordshire that are available for letting and a deduction would be made to reflect this of 10%

### **Committee's Calculations:**

Open Market Rent:	£110.00 per week
Less global deduction	<u>£27.00</u>
	£83.00
Less Scarcity 10%	<u>£8.30</u>
	£74.70 per week
'Uncapped' fair rent say £75.00 (including £8.63 attributed to services) per week	

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 which ever 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 is £67.50 (including £8.63 attributed to services) per week, which is lower than the uncapped rent, determined by the Rent Assessment Committee therefore the capped Fair Rent is to be registered.

**FAIR RENT = £67.50 (including £8.63 for services) per week**

 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 from 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.