

## **EASTERN RENT ASSESSMENT PANEL**

### **STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 15<sup>th</sup> JUNE 2005 TO DETERMINE A FAIR RENT IN RESPECT OF 16 BORROWDALE AVENUE, DUNSTABLE, BEDFORDSHIRE LU6 3PF**

File Reference No.:	CAM/09UE/F77/2005/0056
Landlord:	N & D London Ltd, 203 Brompton Road, London SW2 1LA
Landlord's Agent:	Grainger Residential Management, Citygate, St James Boulevard, Newcastle upon Tyne
Tenant:	Mr R Marr
Existing Rent:	£73.00 per week capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £74.00 per week)
Rent Proposed by Landlords:	£88.00 per week
Rent Determined by Rent Officer:	£80.00 per week below the cap under the Rent Acts (Maximum Fair Rent) Order
Rent Determined by Committee:	£81.00 per week capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £98.00 per week)
Members of the Committee:	Mr JR Morris (Chairman) Mr RVN Auger FRICS Mr B Tyers
Clerk to the Committee:	Mr J Childe

#### **The Tenancy:**

The tenancy appears to be a statutory weekly periodic tenancy, which commenced in 1975. Section 11 of the Landlord and Tenant Act 1985 appears to apply in respect of the Landlord's obligations and according to the Rent Register the Tenant is responsible for internal decoration.

#### **The Application:**

The Landlord by a notice in the prescribed form received by the Rent Service 14<sup>th</sup> March 2005 proposed a new rent of £88.00 per week. On the 7<sup>th</sup> April 2005 the Rent Officer registered a rent effective from 10<sup>th</sup> June 2005 of £80.00 per week, which was below the cap under the Rent Acts (Maximum Fair Rent) Order 1999. On 18<sup>th</sup> April 2005 the Tenant applied to the Rent Assessment Panel.

#### **The Property:**

The Property is a semi-detached two-storey house constructed in the 1950s of brick with tile cladding to the front first floor elevation under a pitched slate roof. The Property comprises a hall from which rises stairs to the first floor, a living room and a kitchen on the ground floor and three bedrooms and bathroom with w.c. on the first floor. Space and heating is gas-fired central heating system and a gas fire with back boiler to the central heating in the living room. An electric immersion heater supplements water heating. The property has main electricity, gas, water and drainage. The property is let unfurnished. Outside there are gardens to front and rear. There is off road parking.

#### **Condition:**

The Committee inspected the Property in the presence of the Tenant. The exterior of the property is in fair to good condition. The porch over the front door requires decoration. The windows to the front are plastic double glazed units and metal single glazed windows to the rear. Internally the bathroom is dated and there would be a dated kitchen but for the Tenant's improvements. The Tenant has installed a radiator in the third bedroom and the hall and there is no radiator in the second bedroom. There are no white goods or floor coverings provided. The property is situated in a residential area within walking distance of Dunstable town centre.

**Law:**

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

**Open Market Rent**

Neither party submitted rental evidence of comparable properties. The Committee using the experience of its members determined that a market rent for the subject property, taking into account its location, in good condition with double glazing, full central heating, modern kitchen and bathroom, and let with carpets, curtains and white goods on an Assured Shorthold Tenancy would be £165.00 per week. The Committee considered that a global deduction of £50.00 per week should be made in respect of the subject property to take account of the dated kitchen and bathroom, the need for repair and decoration of the porch, the lack of full central heating in the hall and two bedrooms, the lack of carpets, curtains and white goods and the single glazed metal windows at the rear of the property. 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 Luton, South Bedfordshire, Aylesbury Vale District and adjoining parts of Hertfordshire that are available for letting and a deduction would be made to reflect this of 15%

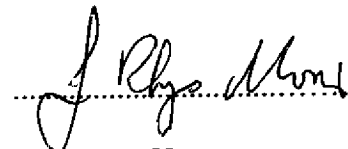
**Committee's Calculations:**

Open Market Rent:	£165.00 per week
Less global deduction	<u>£50.00</u>
	£115.00
Less Scarcity 15%	<u>£17.25</u>
	£97.75 per week

'Uncapped' fair rent say £98.00 per week

The provision of the Rent Acts (Maximum Fair Rent) Order 1999 applies, as no evidence was adduced to indicate that the Landlord has carried out any work since the last registration. The Order requires 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 in this case is £81.50 week, which is lower than the Fair Rent assessed by the Committee and therefore the capped rent is to be registered.

**FAIR RENT = £81.00 per week**

.....John R 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.