

EASTERN RENT ASSESSMENT PANEL

SUMMARY STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 20th OCTOBER 2005 TO DETERMINE A FAIR RENT IN RESPECT OF SUNRISE, FURZE LANE, STOCK, ESSEX CM4 9RW

File Reference No.:	CAM/22UB/F77/2005/0096
Landlord:	Bickenhall Investments Ltd, c/o B Bailey & Co, 118-120 Cranbrook Road, Ilford Essex IG1 4LZ,
Landlord's Agent:	B Bailey & Co, as above
Tenant:	Miss S Collinson
Existing Rent:	£38.50 (uncapped £45.00) per week
Rent Proposed by Landlords:	£57.75 per week
Rent Determined by Rent Officer:	£67.00 per week, not capped under the Rent Acts (Maximum Fair Rent) Order) 1999
Rent Determined by Committee:	£62.50 per week, not capped under Rent Acts (Maximum Fair Rent) Order 1999
Members of the Committee:	Mr Adrian Jack (Chairman) Mr Frank JamesFRICS Ms Cheryl St Clair MBE BA
Clerk to the Committee:	Ms Jenna Peck

Summary reasons:

The Property:

The subject property is a detached bungalow in a quiet country lane. There are three rooms, a kitchen and a bathroom with WC. There is no central heating. The only form of heating is electric, save that there is a disused open coal fire in one room. The kitchen fittings are the tenant's. She replaced the original butler sink with a new sink. The water and emersion heater were installed by the landlord. The bathroom and toilet are supplied by the landlord but are old. The carpets and curtains are the tenant's. Waste water goes to a cesspit.

Condition:

The committee inspected Sunrise, Furze Lane, Stock, Essex on the morning of 20th October 2005 in the presence of the tenant. The landlord did not attend. The landlord has had the walls of the property recently completely recladded. It also installed new PVC windows and new front and back doors. In the kitchen and bedroom there is sign of old water ingress.

Open Market Rent

Neither party produced comparables, so the committee used its own local knowledge. In our judgment a similar property in good condition with carpets, curtains and a modern kitchen and bathroom would let on the open market at £120 per week.

Adjustments to the open market rent

The property is in fair condition. The landlord did not provide the kitchen at the property. The bathroom is old. The landlord does not provide carpets, curtains or white goods. There is no central heating. The tenant has the responsibility for internal repairs. These matters clearly require an adjustment of the £120.00 per week figure.

A 35 per cent reduction is in our judgment appropriate to reflect all the matters above. It should be noted that this figure cannot be a simple arithmetical calculation and is not based 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

The committee first considered whether there was any evidence of scarcity at all. The committee applied its own knowledge of local conditions and took the view that, although there was a plentiful supply of up-market accommodation, the demand for modest accommodation in the area still exceeded supply. In our judgment a 20 per cent adjustment was appropriate to reflect the degree of scarcity.

The committee took as the area of Essex outside the M25 as the appropriate area for considering scarcity.

Committee's Calculations:

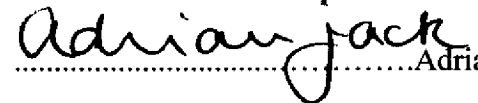
Open Market Rent:	£120.00 per week
Less global deduction	<u>£ 42.00 per week</u>
	£ 78.00 per week
Less Scarcity 20%	<u>£ 15.60 per week</u>
	£ 62.40 per week

SAY £62.50 PER WEEK

Capping

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, unless "because of a change in the condition of the dwelling-house... as a result of repairs or improvements (including the replacement of any fixture or fitting) carried out by the landlord or a superior landlord, the rent that is determined in response to an application for registration of a new rent... exceeds by at least 15% the previous rent registered or confirmed": Article 2(7). The previous registered fair rent was £38.50 per week. In this case the landlord has since the last assessment of a fair rent re-clad the building and installed new windows and a new front and back door. The effect of these works is to increase the fair rent by considerably more than £5.78 per week. Accordingly the provisions of the 1999 Order do not apply.

FAIR RENT = £62.50 per week



.....Adrian Jack, Chairman

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 these reasons must not be relied upon as a guide to the structural or other condition of the property. Except for the determination of the fair rent, any statement as to the rights and obligations of the landlord and tenant is not binding on any other court or tribunal and the parties should take their own legal advice.