

EASTERN RENT ASSESSMENT PANEL

SUMMARY OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 25th AUGUST 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 1 UPPER ICKNIELD WAY, PRINCES RISBOROUGH, BUKINGHAMSHIRE HP27 0EX

File Reference No.: CAM/11UF/F77/2006/0061

Landlord: Mr A Barnett
Landlord's Agent: Brickman Yale, Northway house, 1379 High Road, London,
N20 9LP

Tenant: Mr P Rooke
Existing Rent: £76.50 per week capped under Rent Acts (Maximum Fair
Rent) Order 1999. (Uncapped rent £81.60 per week)

Rent Proposed by Landlord: £125.00 per week
Rent Determined by Rent Officer: £84.50 per week capped under Rent Acts (Maximum Fair
Rent) Order 1999. (Uncapped rent £95.00 per week)

Rent Determined by Committee: £85.00 per week capped under Rent Acts (Maximum Fair
Rent) Order 1999. (Uncapped rent £102.60 per week)

Members of the Committee: Mr J R Morris (Chairman)
Mrs S Redmond BSc Econ MRICS
Mr AK Kapur

Clerk to the Committee: Mr J Childe

The Property:

The property is a two storey semi-detached house constructed of brick under a tile roof built circa 1930s. The property comprises a hall with stairs rising to the first floor, a living room, a dining room and a kitchen with a w.c off a rear porch (constructed by the Tenant) on the ground floor with two bedrooms and a bathroom and w.c. on the first floor. Space and water heating is by gas fired central heating system installed under a Government Scheme. Outside there are gardens to front, side and rear and hard standing for off road parking. There is a driveway shared by the neighbouring property. The property has mains electricity, gas (installed by Tenant), water and drainage. The property has a rural location on the outskirts of Princes Risborough. The property is off a busy main road. The property is let unfurnished.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in poor condition. The property has wooden windows and upvc water goods. The exterior woodwork is deteriorating and is in need of redecoration. Internally the bathroom is dated notwithstanding the installation of a new shower. The kitchen would be dated but for the Tenant's improvements. The carpets, curtains and white goods are not provided.

Law:

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

Fair Rent:

Neither party submitted rental values of comparable properties. The Committee using the experience of its members determined that a market rent for a property similar to the subject property, taking into account its location, in good condition with central heating, double glazing, modern kitchen and bathroom, and let with some carpets, curtains and white goods on an Assured Shorthold Tenancy would be £175.00 per week. However the Committee considered that a global deduction of £55 per week (about 30%) should be made in respect of the subject property for the need for external re-decoration, dated bathroom and dated and basic kitchen but for the Tenant's improvements and the lack of any 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 Buckinghamshire and South Oxfordshire that are available for letting and a deduction would be made to reflect this of 15%


Committee's Calculations:

Open Market Rent:	£175.00 per week
Less global deduction	<u>£55.00</u>
	£120.00
Less Scarcity 15%	<u>£18.00</u>
	£102.00 per week

'Uncapped' fair rent £102.00 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 whichever is the lower. The capped Fair Rent is calculated in accordance with a statutory formula using the existing rent as a base. Paragraph 2(7) of the Order provides that capping does not apply if "because of a change in the condition of the dwelling house or the common parts 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 a registration of a new rent under Part IV exceeds by at least 15% the previous rent registered or confirmed". The Committee noted that works have been carried out in that central heating has been installed together with a new shower and these improvements are reflected in the uncapped rent. However these works were undertaken through a Government scheme and so not carried out by the landlord within the meaning of the exemption and therefore the Rent Acts (Maximum Fair Rent) Order 1999 continues to apply. The capped rent in this case is £85.00 per week, which is lower than the Fair Rent assessed by the Committee and therefore the capped rent is to be registered.

FAIR RENT = £85.00 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.