

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 8th APRIL 2004 TO DETERMINE A MARKET RENT IN RESPECT OF 50 MIDLAND ROAD, OLNEY, BUKINGHAMSHIRE, MK46 4BP

File Reference No.: CAM/00MG/MNR/2004/0017

Landlord: Mrs V Hull, Agent for the Trustees of EM Payne, New Zealand Cottage, Toft Road, Bourn, Cambridge, CB3 7TT

Tenant: Mr JA Rainbow

Existing Rent: £282.00 per four week period

Rent Proposed by Landlords: £312.00 per four week period

Rent Determined by Committee: £ per calendar month (Equating to £ per four week period)

Members of the Committee: Mr JR Morris (Chairman)
Mr GRC M Petty FRICS
Mr RS Rehann

Clerk to the Committee: Mr J Childe

Note: The Committee assessed a monthly rent in accordance with the term of the tenancy and has stated its equivalence per four-week period as agreed by the parties.

The Property:

The property is a two storey terraced house constructed of brick under a tile roof built circa 1900. The house comprises a living room, kitchen and bathroom on the ground floor and three bedrooms on the first floor. As let, on the ground floor of the property the living room was two rooms and there was a small room beyond which was the kitchen and toilet/utility room. As let, on the first floor of the property there were two bedrooms and a bathroom. The Tenant has joined the two living rooms and made a single large living room and has enlarged the kitchen by extending into the small room and converted the toilet/utility room into a bathroom with the fittings from the existing bathroom which was made into a third bedroom. As let the kitchen was not fitted and had only a sink unit and base unit. The enlarged kitchen has been fully fitted by the Tenant. As let, space heating was by open fires in the living room and water heating was by an Immersion. The tenant has installed a gas fired central heating system which now provides water and space heating. The property has mains electricity, water and drainage. The property is situated in a residential part of Olney town close to a range of amenities. The property is let unfurnished. Outside there is a small garden to the front and larger garden to the rear, which has pedestrian access. There is unrestricted parking in the road although no parking on the property

Condition:

The Committee inspected the property in the presence of the Tenant. Externally the property is in fair to good condition although the paintwork is in need of re-decoration. Internally there is a modern fitted kitchen and bathroom and central heating system installed by the Tenant. Outside there is a new boundary fence constructed by the Landlord. No carpets, curtains or white goods were provided.

Law:

Sections 13 and 14 of the Housing Act 1988 apply.

Open Market Rent

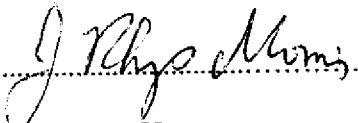
Neither party submitted rental values for comparable property. The Committee using the experience of its members determined that a market rent for a property similar to the subject property, taking into account its location, in good condition with central heating, modern kitchen and bathroom, and let with some carpets, curtains and white goods on an Assured Shorthold Tenancy would be £550.00 per calendar month.

However the Committee considered that a global deduction of 25% being £138.00 per calendar month should be made in respect of the subject property for the need for external re-decoration, the lack of central heating in respect of the property as let and the lack of any carpets, curtains or white goods. The deduction also includes an allowance for a basic and dated kitchen were it not for the Tenant's improvements. 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.

The committee did not consider that the making of the two living rooms into a single through room had a significant effect on the rental value. Also although a three-bedroom property commanded a higher rental than a two bedroom nevertheless this alteration by the Tenant was balanced by the detrimental effect of moving the bathroom from the first floor to the ground floor. Therefore in this case the Committee considered the Tenant's addition of a bedroom only had a marginal effect on the rent.

Market Rent for subject property £412.00 per calendar month equivalent to £380.00 per four monthly period

The Committee determined that in accordance with section 14 (1)(a) and (b) Housing Act 1988 the rent should commence from the beginning of the period of the Tenancy and having taken account of section 14 (7) Housing Act 1988, determined that the increased rent should take effect from the 1st April 2004.

 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.