

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 8th OCTOBER 2004 TO DETERMINE A FAIR RENT IN RESPECT OF 2, 5 and 17 HOWARD COURT, DUNSTABLE ROAD, FLITWICK MK45 1HN

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| File Reference No.: | CAM/09UC/F77/2004/0077 |
| Landlord: | Housing 21, 9 Avro Court, Ermine Business Park, Huntingdon Cambridgeshire PE29 6WG |
| Tenants: | Flat 2 Mrs L Moore Flat 5 Mrs M White Flat 17 Mrs A Harrison |
| Last registered Rent for each Property: | £57.60 per week (£40.94 rent and £16.66 variable service charge) capped under Rent Acts (Maximum Fair Rent) Order 1999. Uncapped rent £65.00 per week (£48.34 rent and £16.66 variable service charge) |
| Rent Proposed by Landlords for each Property: | £70.43 per week (£56.36 rent and £14.07 variable service charge) |
| Rent Determined by Rent Officer for each Property: | £61.07 per week (£47.00 rent and £14.07 variable service charge) capped under Rent Acts (Maximum Fair Rent) Order 1999. Uncapped rent £73.00 per week (£58.93 rent and £14.07 variable service charge) |
| Rent Determined by Committee: | £61.57 per week (£47.50 rent and £14.07 variable service charge) capped under Rent Acts (Maximum Fair Rent) Order 1999. Uncapped rent £104.07 per week (£90.00 and £14.07 variable service charge) |
| Members of the Committee: | Mr JR Morris (Chairman) Mr GRC Petty FRICS Mr PA Tunley |
| Clerk to the Committee: | Mr J Childe |

Note: The flats appeared to vary slightly in room size but the layout and overall area of each seemed to be the same. There being little to distinguish between the properties the Committee assessed a common rent for all three.

The Tenancy:

The tenancies appear to be statutory regulated weekly periodic tenancies, which commenced on

Flat 2 Mrs L Moore 27th January 1992

Flat 5 Mrs M White 10th September 1983

Flat 17 Mrs A Harrison 20th September 1993

The Application:

The Landlord by a notice in the prescribed form dated 25th May 2004 proposed a new rent of £70.43 per week (£56.36 rent and £14.07 variable service charge). On the 30th June 2004 the Rent Officer registered a capped rent of £61.07 per week (£56.36 rent and £14.07 variable service charge) under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £73.00 per week (£58.93 rent and £14.07 variable service charge). On 28th July 2004 the Landlord applied to the Rent Assessment Panel.

The Property:

Each of the properties is a self-contained purpose built flat in a two-storey block constructed of brick under a tile roof built circa 1970. Flat 2 is on the ground floor and Flats 5 and 17 are on the first floor. Each flat comprises a hall, a living room and kitchen, a bedroom and a bathroom. Space heating is by night storage heater and water heating is by an electric immersion. The property has mains electricity, water and drainage. The properties are let unfurnished. Outside there are communal gardens. In addition there is a common room

with kitchen, a laundry room and a guest room. There is limited parking available. The property is situated off a busy main road near Flitwick town centre.

Condition:

The Committee inspected the property in the presence of the Tenants and the Landlord's representatives, Mr Peter Morton and Ms Jan Marshall who is the Housing Manager for the development. Externally the block is in good condition. Internally the common parts are well maintained and in each flat there is a serviceable if dated fitted kitchen with refrigerator and cooker provided by the Landlord. The bathrooms are fitted accordingly to the needs of the Tenants. Carpets and curtains are not provided.

Law:

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

Open Market Rent

Parties' submissions:

The Tenants made no submissions. The Landlord stated in written representations that the rents of the subject properties appeared to be out of step as the rent of Flat 3 had recently been assessed by the rent officer as being £73.00 Uncapped but £70.07 Capped (£56.00 rent and £14.07 variable service charge). Also the current Assured Rents for the flats in the block are £52.78 per week excluding the variable service charge. In addition the Rent Officer stated that there was no central heating, the Tenants were responsible for internal decoration and no white goods were provided whereas there are night storage heaters in each room, decoration is carried out on a 5/6 year cycle and white goods are provided.

Committee's Decision:

It was noted that the differential between the subject properties and Flat 3 was as a result of the Capping formula being calculated at a different time therefore using a different retail price index figure in the statutory formula. As a Housing Association the Assured Rents are 'Target Rents' assessed in accordance with Government guidelines. The Committee started as required by legislation and case law by assessing a market rent. It determined that a market rent for a property similar to the subject property let on an Assured Shorthold Tenancy would be £100.00 per week.

Scarcity

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

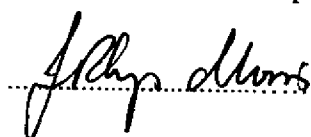
Committee's Calculations:

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| Open Market Rent: | £100.00 per week |
| Less Scarcity 10% | <u>£ 10.00</u> |
| | £ 90.00 |
| Add variable service charge | <u>£ 14.07</u> |
| | £104.07 |

'Uncapped' fair rent including variable service charge £104.07 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 in this case is £61.57 calendar month, which is lower than the Fair Rent assessed by the Committee and therefore the Capped Rent is to be registered.

FAIR RENT = £61.57 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 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.