

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 28th DECEMBER 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 22 ASHWELL ROAD, STEEPLE MORDEN, ROYSTON SG8 0NZ

File Reference No.: CAM/12UG/F77/2006/0114

Landlord: EW Pepper Ltd
Landlord's Agent: Strutt & Parker 34 St Peters Street, St Albans
Hertfordshire, AL1 3NA

Tenant: Mr P Tidey

Existing Rent: Property provided under Terms of Employment

Rent Proposed by Landlord: £600.00 per calendar month

Rent Determined by Rent Officer: £414.00 per calendar month exempt from the Rent Acts
Maximum Fair Rent) Order 1999 as first registration

Rent Determined by Committee: £465.00 per calendar month exempt from the Rent Acts
Maximum Fair Rent) Order 1999 as first registration

Members of the Committee: Mr JR Morris (Chairman)
Mr JB Shrive FRICS FAAV
Mr C Gowman

Clerk to the Committee: Ms J Zaban

The Tenancy:

The tenancy appears to be a statutory monthly periodic, which commenced in 1982 and under the Rent (Agriculture) Act 1976. According to the Rent Register Section 11 of the Landlord and Tenant Act 1985 applies in relation to the Landlord's repairing liability and the Tenant is responsible for internal decorations

The Application:

The Landlord by a notice in the prescribed form received by the Rent Office 29th August 2006 proposed a new rent of £600.00 per calendar month. On the 17th October 2006 the Rent Officer registered a rent effective from that date of £414.00 per calendar month, exempt from the Rent Acts (Maximum Fair Rent) Order) 1999 being a first registration. On 15th November 2006 the Landlord applied to the Rent Assessment Panel.

The Property:

The property is a detached bungalow probably built circa 1950 of brick under a tiled roof although internal walls not of conventional construction. The property comprises a living room, kitchen, conservatory cum rear lobby, three bedrooms and a bathroom with separate w.c. Outside there are gardens and an attached garage. The property has mains electricity water and drainage. Space and water heating is provided by an oil fired central heating system. The property is let unfurnished. The property is situated about 6 miles from Royston.

Condition:

The Committee inspected the property in the presence of the Tenant. The Committee found that externally the property was generally in fair condition. It was noted that it was adjacent to electric plant (transformer or sub station). The windows had been replaced by the Landlord and were now upvc double glazed units. Internally the kitchen and bathroom would be basic and dated but for the Tenant's improvements. The electrics would also not be up to modern standards but for the Tenant's improvements. 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.

MAXIMUM FAIR RENT CALCULATION

LATEST RPI FIGURE	x	<input type="text" value="200.4"/>			
PREVIOUS RPI FIGURE	y	<input type="text" value="187.4"/>			
x	<input type="text" value="200.4"/>	Minus	y	<input type="text" value="187.4"/>	= (A) <input type="text" value="13"/>
(A)	<input type="text" value="13"/>	Divided by	y	<input type="text" value="187.4"/>	= (B) <input type="text" value="0.06937033"/>
First application for re-registration since 1 February 1999					YES/NO
If yes (B) plus 1.075 = (C)					<input type="text"/>
If no (B) plus 1.05 = (C)					<input type="text" value="1.11937033"/>
Last registered rent*		<input type="text" value="77.00"/>	Multiplied by (C) =		<input type="text" value="86.19151541"/>
*(exclusive of any variable service charge)					
Rounded up to nearest 50 pence =					<input type="text" value="86.50"/>
Variable Service Charge			NO		
If YES add amount for services =					
MAXIMUM FAIR RENT =		<input type="text" value="£86.50"/>	Per	<input type="text" value="Week"/>	

Explanatory Note

The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.

In summary, the formula provides for the maximum fair rent to be calculated by:

increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and

adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).

A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B).

The result is rounded up to the nearest 50 pence.

For the purposes of the calculation the latest RPI figure (x) is that published in the month before the Committee's fair rent determination.

The calculation of the maximum fair rent excludes any sum payable under a variable service charge, where the rent is registered as variable under section 71(4) of the Rent Act 1977. In such a case that sum is added to the maximum fair rent in order to produce the rent to be registered as the fair rent.