

## **EASTERN RENT ASSESSMENT PANEL**

### **SUMMARY OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 25<sup>th</sup> AUGUST 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 1 WILTSHIRE ROAD, WOKINGHAM, BERKSHIRE RG40 1TN**

File Reference No.:	CAM/00MF/F77/2006/0060
Landlord:	All Saints Wokingham Parochial Church Council, The Parish Office, Norreys Avenue, Wokingham, Berkshire, RG40 1UE
Tenant:	Mr I Frankel
Existing Rent:	£445.00 per calendar month including water rates First Registration since the Rent Acts (Maximum Fair Rent) Order 1999
Rent Proposed by Landlord:	£457.00 per calendar month including water rates
Rent Determined by Rent Officer:	£492.00 per calendar month including water rates capped under Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped rent £493.00 per calendar month including water rates)
Rent Determined by Committee:	£490.22 per calendar month including water rates below the capped rent under Rent Acts (Maximum Fair Rent) Order of £501.72 per calendar month)
Members of the Committee:	Mr JR Morris (Chairman) Mrs S Redmond BSc Econ MRICS Mr AK Kapur
Clerk to the Committee:	Mr J Childe

#### **The Tenancy:**

The tenancy appears to be a statutory monthly periodic tenancy, which commenced in 1982. According to the Rent Register the Landlord is responsible for external repair and decoration and the Tenant is responsible for internal decoration. The tenancy is subject to Section 11 of the Landlord and Tenant Act 1985.

#### **The Application:**

A rent of £445.00 per calendar month including water rates was registered on 9<sup>th</sup> February 2004 effective from that date. This was a first registration following the introduction of the Rent Acts (Maximum Fair Rent) Order 1999 and therefore was not capped. The Landlord by a notice in the prescribed form received by the Rent Service on the 19<sup>th</sup> April 2006 proposed a new rent of £457.00 per calendar month including water rates. On the 17<sup>th</sup> May 2006 the Rent Officer registered a rent effective from that date of £492.80 per calendar month, which was capped rent under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £493.00 per calendar month. On the 10<sup>th</sup> July 2006 the Tenant applied to the Rent Assessment Panel.

#### **The Property:**

The property is a two storey semi-detached house constructed of brick under a tile roof said to be some 250 years old. There is a porch over the front door. The property comprises a hall with stairs rising to the first floor, a living room, a dining room and kitchen on the ground floor with three bedrooms and a bathroom and w.c. on the first floor. Space and water heating is by a gas fired central heating system. Outside there are gardens to front, side and rear and hard standing for off road parking. The property has mains electricity, gas, water and drainage. The property is in the centre of Wokingham off a busy main road within walking distance of shops and other amenities. The property is let unfurnished.

#### **Condition:**

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in good condition. The property has wooden windows and recently fitted upvc water goods. Internally as

let the bathroom and kitchen would be dated and basic. The Tenant has installed a new fireplace in the living room. Carpets, curtains and white goods are not provided. The Landlord has recently refitted a ceiling in the dining room following its collapse and redecorated the room. The Landlord has also installed a fire resistant wall between the Property and its neighbour. A loft access has also been created.

**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 £800.00 per calendar month. However the Committee considered that a global deduction of £240.00 per calendar month should be made in respect of the subject property for what would be a dated and basic bathroom and kitchen but for the Tenant's improvements, the fire place fitted by the Tenant and the lack of 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**

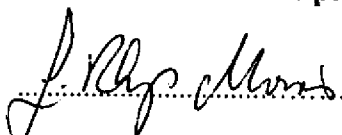
It was decided that there is substantial scarcity of "... similar dwelling-houses in the locality..." in this case Berkshire, that are available for letting and a deduction would be made to reflect this of 15%

**Committee's Calculations:**

Open Market Rent:	£800.00 per calendar month
Less global deduction	<u>£240.00</u>
	£560.00
Less Scarcity 15%	<u>£ 84.00</u>
	£476.00
Add water rates (currently £170.67 per annum)	<u>£ 14.22</u>
	£490.22
'Uncapped' fair rent £490.22 per calendar month	

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. The capped rent in this case is £501.72 per calendar month, which is higher than the Fair Rent assessed by the Committee and therefore the Fair Rent assessed by the Committee is to be registered.

**FAIR RENT = £490.22 per calendar month 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.