

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 12th APRIL 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 21 HUNTERS RIDE, BRICKET WOOD, HERTFORDSHIRE, AL2 3NB

File Reference No.: CAM/26UG/F77/2006/0021

Landlord: St Ermins Property Co Ltd
Landlord's Agent: B Bailey & Co, 118-120 Cranbrook Road, Ilford,
Essex IG1 4LX

Tenant: Mr M Giles
Existing Rent: £117.50 per week capped under Rent Acts (Maximum Fair
Rent) Order (uncapped rent £120.00 per week)

Rent Proposed by Landlords: £135.12 per week
Rent Determined by Rent Officer: £120.00 per week capped under the Rent Acts (Maximum
Fair Rent) Order (uncapped rent £133.00 per week)

Rent Determined by Committee: £126.50 per week capped rent under the Rent Acts Maximum
Fair Rent) Order (uncapped rent £130.50 per week)

Members of the Committee: Mr JR Morris (Chairman)
Mr RC Petty FRICS
Mr AK Kapur

Clerk to the Committee: Ms R McKay LLB

The Tenancy:

The tenancy appears to be a statutory weekly periodic tenancy, which commenced in about 1981. Section 11 of the Landlord and Tenant Act 1985 appears to apply in respect of the Landlord's obligations and according to the Rent Register the Tenant is responsible for internal decoration.

The Application:

The Landlord by a notice in the prescribed form received by the Rent office on the 9th November 2004 proposed a new rent of £158.25 per week. The Application is made within two years on the basis that there has been a change in the condition of the dwelling house. The change in this case is the improvement by the installation of upvc windows undertaken by the Landlord. On the 8th December 2004 the Rent Officer registered a rent effective from 5th February 2005 of £116.50 per week capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £123.00 per week. On 24th December 2004 the Landlord applied to the Rent Assessment Panel.

The Property:

The property is two-storey semi-detached house constructed in 1955 of brick under a tile roof. The house comprises a hall from which rise stairs to the first floor, a through living room and a kitchen on the ground floor with three bedrooms and a bathroom on the first floor. As let space heating was by open fires and the Tenant has fitted a gas heater on the landing, in one of the bedrooms and a gas fire in the living room. Water heating is by Tenants multi-point gas heater which replaces the Landlord's old one. There is hard standing to the front of the house and gardens to the front and rear of the property. The property has mains gas, electricity, water and drainage. The property is situated in a residential area. The property is let unfurnished.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in fair condition although the guttering is leaking. There are upvc double glazed windows and back door recently fitted by the Landlord. Internally without the Tenant's improvements the kitchen and bathroom would be basic and dated. As let the property has no central heating.

Law:

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

Assessment of a Fair Rent:

Neither party submitted rental evidence of comparable properties. The Committee using the experience of its members determined that a market rent for the subject property, taking into account its location, in good condition with central heating, double glazing, modern kitchen and bathroom, and let with carpets, curtains and white goods on an Assured Shorthold Tenancy would be £190.00 per week. The Committee considered that a global deduction of £45.00 per week should be made in respect of the subject property to take account of the dated kitchen and bathroom, the external need for repair and the lack of central heating, carpets, curtains and 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 Hertfordshire that are available for letting and a deduction would be made to reflect this of 10 %

Committee's Calculations:

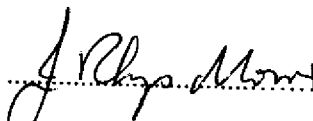
Open Market Rent:	£190.00 per week
Less global deduction	<u>£ 45.00 per week</u>
	£145.00 per week
Less Scarcity 10%	<u>£ 14.50 per week</u>
	£130.50 per week

'Uncapped' fair rent say £130.50 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. However 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 found that the Landlord had fitted new double-glazed upvc windows. In this case 15% of the previous rent of £117.50 per week would be £17.60 per week. The Committee noted the original windows and considered that if the property did not have new windows an additional deduction would have been made which would have given an uncapped rent of £120.00 per calendar month. Therefore the amount of the rent attributable to the improvement would be £10.50, which is less than 15% of the previous registered rent, and so the new rent is not exempt from the 'capping' provisions of the Rent Acts (Maximum Fair Rent) Order 1999. Therefore the capped rent is to be registered.

FAIR RENT = £126.50 per rent

 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.