

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 11th APRIL 2006 TO DETERMINE A FAIR RENT IN RESPECT OF THE SCHOOL HOUSE, COMMON STREET, RAVENSTONE, OLNEY, BUCKINGHAMSHIRE MK46 5AR

File Reference No.:	CAM/00MG/F77/2006/0019
Landlord:	Bickenhall Engineering Co Ltd
Landlord's Agent:	Douglas Duff, Kingmaker House, 15 Station Road, New Barnet, Hertfordshire
Tenant:	Mr R Coleman
Previous Registered Rent:	£84.50 per week capped under the Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped Rent £90.00 per week)
Rent Proposed by Landlords:	£115.00 per week
Rent Determined by Rent Officer:	£94.00 per week capped under the Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped Rent £99.00 per week)
Rent Determined by Committee:	£94.50 per week capped under the Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped Rent £99.00 per week)
Members of the Committee:	Mr JR Morris (Chairman) Mr RC Petty FRICS Mr AK Kapur
Clerk to the Committee:	Mr J Childe

The Tenancy:

The tenancy appears to be a statutory weekly periodic tenancy that commenced in 1967. According to the Rent Register the Landlord is responsible for external repair and decoration and the tenancy is subject to Section 11 of the Landlord and Tenant Act 1985 and the Tenant is responsible for internal decoration

The Application:

The Landlord by a notice in the prescribed form received by the Rent Service on the 5th December 2005 proposed a new rent of £115.00 per week. On the 4th January 2006 the Rent Officer registered a rent effective from 13th February of £94.00 per week, which was capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £99.00 per week. On the 8th February 2006 applied to the Rent Assessment Panel.

The Property:

The Property is a house of stone under a tile roof constructed circa 1760. The Property is attached at the rear to what was the village school and what is now the village hall. The Property comprises a hall with stairs rising to the first floor, two living rooms, a kitchen and a bathroom with wc on the ground floor. There are two double bedrooms and a box room on the first floor. Space and water heating is by oil fired central heating system installed by Tenant. The property has mains electricity, water and drainage. The property is let unfurnished. Outside there is no off road parking. There are gardens to front and rear.

Condition:

The Committee inspected the Property in the presence of the Tenant. The exterior of the Property is in fair condition. Internally the kitchen and bathroom as let would be dated and basic. The Tenant has fitted a new kitchen and bathroom replacing the dated plumbing system. As let the space heating was by open fires and water heating was by Rayburn style stove. The Tenant has installed full oil fired central heating. The Tenant has also undertaken a number of works including the tiling of the utility room floor and the creation of the present entrance to the Property. There are no carpets, curtains or white goods provided. The property is situated in a rural village with shopping at Olney, Milton Keynes, Bedford and Northampton within 10 miles radius.

Law:

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

Open Market Rent

The Landlord submitted rental evidence of comparable properties. Those referred to in the locality however covered too wide a range to be helpful. Therefore the Committee used the knowledge and experience of its members and 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 £195.00 per week. The Committee deducted the sum of £78.00 for what would have been, as let, a dated and basic kitchen and bathroom and the lack of central heating, carpets, curtains and white goods and the works carried out by the Tenant. 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 Buckinghamshire and adjacent parts of Bedfordshire and Northamptonshire available for letting and a deduction would be made to reflect this of 15%


Committee's Calculations:

Open Market rent	£195.00
Less global deduction	£78.00
	£117.00
Less Scarcity 15%	£17.55
	£99.45

'Uncapped' fair rent say £99.00 per week.

The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply since the Landlord has not undertaken any improvements or repairs since the last registration. The Order requires 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 £94.50 per week, which is higher than the Fair Rent assessed by the Committee and therefore the capped rent is to be registered.

FAIR RENT = £94.50 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.