

## **EASTERN RENT ASSESSMENT PANEL**

### **STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 24<sup>th</sup> NOVEMBER 2004 TO DETERMINE A FAIR RENT IN RESPECT OF 17 BREACH CLOSE, BRIXWORTH, NORTHAMPTONSHIRE, NN6 9HT**

File Reference No.: CAM/34UC/F77/2004/0127

Landlord: Touchstone Housing, PO Box 160, Touchstone House, Whiteley Village, Coventry, West Midlands CV3 4HZ

Tenant: Mrs J Rees

Existing Rent: £186.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £190.00 per calendar month) (Gross rent £226.20 – 25% ownership)

Rent Proposed by Landlords: £196.37 per calendar month

Rent Determined by Rent Officer: £205.00 per calendar month capped rent under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £210.80 per calendar month) (Gross rent £244.80 - 25% ownership)

Rent Determined by Committee: £206.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped rent £219.37 per calendar month)

Members of the Committee: Mr JR Morris (Chairman)  
Mr GRC Petty FRICS  
Mr PA Tunley

Clerk to the Committee: Mr J Childe

#### **The Tenancy:**

The tenancy appears to be an Assured tenancy, which commenced on 1<sup>st</sup> January 1983. According to the Rent Register it is a full repairing lease and the Tenant has a 25% shared ownership.

#### **The Application:**

The Landlord by a notice in the prescribed form dated 27<sup>th</sup> July 2004 proposed a new rent of £196.37 per calendar month. On the 24<sup>th</sup> September 2004 the Rent Officer registered a capped rent effective from the 30<sup>th</sup> November 2004 of £205.00 per calendar month under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £210.80 per calendar month. On 8<sup>th</sup> October 2004 the Tenant applied to the Rent Assessment Panel.

#### **The Property:**

The property is two-storey modern terraced house constructed of brick under a tile roof. The house comprises a hall from which rises stairs to the first floor, a living room and kitchen/dining room on the ground floor with three bedrooms and a bathroom on the first floor. Space and water heating are by gas fired central heating system installed by the Tenant. Outside there are gardens to front and rear with pedestrian access to the rear of the property. The property has mains gas, electricity, water and drainage. Parking is unrestricted. The property is situated in a residential area on the outskirts of the village, which has local shops. 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. There are upvc double-glazed unit windows. Internally the property has a modern fitted kitchen. No white goods are provided. The bathroom has no windows and is ventilated by a fan. The suite is a modern type but now rather dated. No carpets or curtains are provided.

#### **Law:**

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

## Assessment of a Fair Rent:

### *Parties' Submissions*

The Tenant stated that when she took the property it was in a poor condition due to the Landlord failing to ensure that previous tenants complied with the full repairing covenant. In particular the woodwork was in such a bad state that she had to renew the windows with plastic double-glazed units. The Tenant included a statement from her surveyor prepared prior to her taking the tenancy which confirmed that the property had not been redecorated or well maintained and advised the Tenant to seek a contribution from the Landlord for works to be carried out.

### *Committee's Decision*

In the absence of comparable rental evidence from the parties the Committee used the experience of its members. It determined that a market rent for a property similar to the subject property, taking into account its location, in good condition with central heating, modern kitchen and bathroom, and let with some carpets, curtains and white goods on an Assured Shorthold Tenancy would be £500.00 per calendar month. However the Committee considered that a global deduction of £175.00 per calendar month should be made. The Committee included in this deduction an amount equivalent to 20% to take account of the full repairing covenant but did not make a deduction for want of repair. The Committee also included in the deduction an amount for the lack of central heating in the property as let and an element of betterment in the repairs undertaken by the Tenant. In addition the deduction takes account of the rather dated bathroom and lack of carpets, curtains or white goods being provided. 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 Northamptonshire that are available for letting and a deduction would be made to reflect this of 10 %

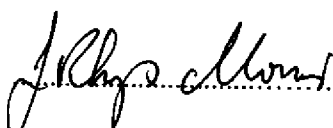
### **Committee's Calculations:**

Open Market Rent:	£500.00 per calendar month
Less global deduction including a sum equivalent to 20% for full repairing covenant	<u>£175.00</u>
	£325.00
Less Shared Ownership of 25%	<u>£ 81.25</u>
	£243.75
Less Scarcity at 10%	<u>£ 24.38</u>
	£219.37

'Uncapped' fair rent say £220.00 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 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 £206.00 per calendar month, which is lower than the Fair Rent assessed by the Committee and therefore the capped rent is to be registered.

**FAIR RENT = £206.00 per calendar month**

 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.