

## **EASTERN RENT ASSESSMENT PANEL**

### **STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 25<sup>th</sup> JULY 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 42 LIMES AVENUE, AYLESBURY, BUCKINGHAMSHIRE HP21 7HB**

File Reference No.:	CAM/11UB/F77/2006/0054
Landlord:	Herne Hill Holdings Ltd
Landlord's Agent:	Hamways Chartered Surveyors, 29 Station Road West, Oxted, Surrey RH8 9EE
Tenant:	Mr E Robson
Existing Rent:	£438.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £485.00 per calendar month
Rent Proposed by Landlords:	£1310.00 per calendar month
Rent Determined by Rent Officer:	£479.50 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £518.50 per calendar month
Rent Determined by Committee:	£486.50 per calendar month capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £510.00)
Members of the Committee:	Mr JR Morris (Chairman) Mr RC Petty FRICS Mrs N Bhatti
Clerk to the Committee:	Mr J Childe

#### **The Tenancy:**

The tenancy appears to be a statutory monthly periodic tenancy. 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:**

A rent of £438.00 per calendar month was last registered on 28<sup>th</sup> May 2004 and effective from that date which was a capped rent under the Rent Acts (Maximum Fair Rent) Order 1999. The Landlord by a notice in the prescribed form received by the Rent Service on the 21<sup>st</sup> April 2006 proposed a new rent of £1310.00 per calendar month. On the 17<sup>th</sup> May 2006 the Rent Officer registered a rent effective from 28<sup>th</sup> May 2006 of £479.50 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £518.50 per calendar month). On the 30<sup>th</sup> May 2006 the Landlord applied to the Rent Assessment Panel.

#### **The Property:**

The property is a two storey semi-detached house constructed of brick under a tile roof circa 1930s. The property comprises a hall with stairs to the first floor, a living room, dining room and kitchen on the ground floor. On the first floor are three bedrooms and a bathroom with separate w.c. Water and space heating is by a gas fired central heating system. There is a garden to the front and rear of the property. There is also a garage/carport to the side of the house and hard standing. There is a shed provided by the landlord with two further sheds of the Tenant. The property has mains electricity, water, gas and drainage. The property is situated in a residential area with similar properties about a mile from the town centre. The property is let unfurnished.

#### **Condition:**

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in now fair to poor condition. There are replacement upvc double glazed windows that were installed circa 2004. The Tenant fitted the patio doors in the dining room. The soffits and fascias are in need of

re-decoration and the chimney needs re-pointing and the cast iron rainwater goods and soil pipe are deteriorating. Several areas of the rear elevation of the property are in need of re-pointing.

Internally as let the property had a dated and basic kitchen with a white butler sink and wooden draining board, which has been replaced with modern units by the Tenant. The bathroom is also dated although has a shower fitted by the Tenant. The Tenant has replaced the original high level toilet with a low-level unit. There would be an inadequate number of electrical sockets by modern standards were it not for the additions of the Tenant. 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.

**Open Market Rent**

Neither party submitted evidence of rents for comparable properties therefore 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 £800.00 per calendar month. However the Committee considered that a global deduction of £200.00 per calendar month should be made in respect of the subject property for the need for external repair and re-decoration and for what would, without the Tenant's improvements, be a dated kitchen and bathroom and limited electrical sockets. The deduction also takes account of the lack of any 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 North Buckinghamshire that are available for letting and a deduction would be made to reflect this of 15 %

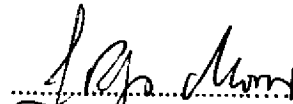
**Committee's Calculations:**

Open Market Rent:	£800.00 per calendar month
Less global deduction	<u>£200.00 per calendar month</u>
	£600.00 per calendar month
Less Scarcity 15%	<u>£90.00 per calendar month</u>
	£510.00 per calendar month

'Uncapped' fair rent say £510.00 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 £486.50 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 = £486.50 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 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.