

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 27th OCTOBER 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 10 TINGRITH ROAD, EVERSOLT, MILTON KEYNES MK17 9EF

File Reference No.:	CAM/09UC/F77/2006/0080
Landlord:	Trustees of Eversholt Parochial Charity, Mrs R Chidley (Clerk) 40 Leighton Street, Woburn, Milton Keynes, MK17 9PH
Landlord's Agent:	Robinson and Hall, 118 Bromham Road Bedford
Tenant:	Mrs S Hull
Existing Rent:	£4,023.50 per annum capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £4,140.00 per annum)
Rent Proposed by Landlords:	£4,800.00 per annum
Rent Determined by Rent Officer:	£4,310.00 per annum capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £5,310.00 per annum)
Rent Determined by Committee:	£4,341.00 per annum capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £6,240.00 per annum)
Members of the Committee:	Mr JR Morris (Chairman) Mr J Dinwiddy FRICS Mrs J De M Ambrose
Clerk to the Committee:	Mr J Childe

The Tenancy:

The tenancy appears to be a statutory weekly periodic tenancy, which commenced on 24th June 1982. According to the rent Register section 11 of the Landlord and Tenant Act 1985 applies in relation to the Landlord's repairing liability and the Tenant is responsible for internal decoration.

The Application:

A rent of £4,023.00 per annum was last registered on 29th November 2005 and effective from 19th January 2006 which was a capped rent under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £4,140.00. The Landlord by a notice in the prescribed form received by the Rent Service on the 28th June 2006 proposed a new rent of £4,800.00 per annum, under the exception contained in section 67((3)(a) of the Rent Act 1977. On the 28th July 2006 the Rent Officer registered a rent effective from that date of £4,310.00 per annum, which was capped under Rent Acts (Maximum Fair Rent) Order (Uncapped rent £5,310.00 per annum). On the 22nd August 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 1890s. The property comprises a living room with stairs to the first floor, dining room and kitchen on the ground floor. On the first floor are three bedrooms and a bathroom with w.c. Water and space heating is by a gas fired central heating system. There are gardens to the front, side and rear of the property. There is also space for a vehicle. The property has mains electricity, water, gas and drainage. The property is situated in a rural village with similar properties. 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 replacement upvc double glazed windows. Internally there are indications of damp possibly due to the failure of the damp proof course, in the dining room. The kitchen is basic and dated. The bathroom is also basic. 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, double glazing, modern kitchen and bathroom, and let with carpets, curtains and white goods on an Assured Shorthold Tenancy would be £750.00 per calendar month. However the Committee considered that a global deduction of £100.00 per calendar month should be made in respect of the subject property for condition in particular the presence of damp, the dated kitchen and basic bathroom and 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 Bedfordshire that are available for letting and a deduction would be made to reflect this of 20 %

Committee's Calculations:

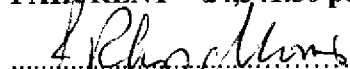
Open Market Rent:	£750.00 per calendar month
Less global deduction	<u>£100.00</u>
	£650.00
Less Scarcity 20%	<u>£130.00</u>
	£520.00 per calendar month

'Uncapped' fair rent say £520.00 per calendar month which equates to £6,240.00 per annum

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 installed central heating. In this case 15% of the previous rent of £4023.50 per annum would be £603.50 per annum. The Committee noted that prior to the installation of central heating the property was heated by open fires. In such a condition an additional deduction would have been made which would have given an uncapped rent of £5,664.00 per annum. Therefore the amount of the rent attributable to the improvement would be ££576.00 per annum, 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 = £4,341.50 per annum

 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.