

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 17th MARCH 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 2 BRAEHEAD COTTAGE, CARLTON, BEDFORD MK43 7NB

File Reference No.: CAM/09UD/F77/2005/015

Landlord: J Tusting
Landlord's Agent: Robinson & Hall LLP, 118 Bromham Road, Bedford MK40 2 QN
Tenant: Mr JI Johnstone
Previous Registered Rent: £72.50 per week capped under the Rent Acts (Maximum Fair Rent)
Order (Uncapped Rent £77.00 per week)
Rent Proposed by Landlords: £82.50 per week
Rent Determined by Rent Officer: £80.50 per week capped under the Rent Acts (Maximum Fair Rent)
Order (Uncapped Rent £89.00 per week)
Rent Determined by Committee: £80.50 per week capped under the Rent Acts Maximum
Fair rent) Order (Uncapped Rent £94.50 per week)

Members of the Committee: Mr JR Morris (Chairman)
Mr JR Humphrys 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 that commenced in 1986 and appeared to be subject to the Rent (Agriculture) Act 1976 by reason of the Tenant's employment. The employment terminated on 12th December 1997 but the tenancy remained protected under the legislation and provisions of the Rent Act 1977 apply in respect of the registration of rent. 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 7th December 2005 proposed a new rent of £82.50 per week. On the 11th January 2006 the Rent Officer registered a rent effective from 14th January 2006 of £80.50 per week, which was capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £89.00 per week. On 30th January 2006 the Tenant applied to the Rent Assessment Panel.

The Property:

The Property is a semi-detached two-storey house of brick under a tile roof constructed circa 1952. The Property comprises a hall with stairs rising to the first floor, a dining room, a living room, a kitchen and a lobby with three storerooms off, on the ground floor. There are three bedrooms and bathroom with w.c on the first floor. Space heating is by open fires and Tenant's appliances. Water heating is by an electric immersion heater and a boiler, heated by a solid fuel burner, fitted by the Tenant. The property has mains electricity and water with drainage by septic tank. The property is let unfurnished. Outside there is a garage and gardens to front, side and rear.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in fair to good condition although the bargeboards on the gable end require painting. The windows are upvc double glazed units except for the dining room and one of the bedrooms, which are wooden. Although these too are double-glazed the units have failed and there was misting between the panes. Internally there is a dated kitchen and bathroom and there are no carpets, curtains or white goods provided. The Committee noted a rushing noise, which apparently comes from a pump some distance away. However the sound reverberated through the plumbing. The Committee were informed that there is only 3 inches of insulation in the loft and

the wind blows under the eaves and causes the Property to be cold. The Property is situated in a rural setting about 3 miles from local shopping.

Law:

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

Open Market Rent

At the Hearing the Landlord's Representative, Miss Stacey, accepted the condition referred to above except that she did not consider the noise likely to affect the rent. She also referred to two properties both without central heating, which were let at £450.00 per calendar month by way of comparables. The Committee added to this information the experience of its members and determined that a market rent for the subject property, taking into account its location, in good condition with double glazing, central heating, modern kitchen and bathroom, and let with carpets, curtains and white goods on an Assured Shorthold Tenancy would be £150.00 per week. The Committee deducted the sum of £45.00 for the dated kitchen and bathroom, the lack of central heating, carpets, curtains and white goods, the want of repair and the noise which the Committee considered would have some effect. 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 and adjacent areas of Buckinghamshire and Northamptonshire that are available for letting and a deduction would be made to reflect this of 10%

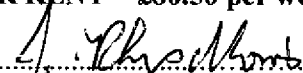
Committee's Calculations:

Open Market rent including services	£150.00
Less global deduction	<u>£45.00</u>
	£105.00
Less Scarcity 10%	<u>£10.50</u>
	£94.50

'Uncapped' fair rent say £94.50

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 £80.50 per week, which is less than the fair rent assessed by the Committee, therefore the capped rent, applies.

FAIR RENT = £80.50 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.