

**Eastern Rent Assessment Panel**  
Great Eastern House Tenison Road Cambridge CB1 2TR  
Telephone: 0845 1002616 Facsimile: 01223 505116



**SUMMARY STATEMENT OF REASONS**  
**for the decision of the Committee which met on 4 October 2005**  
**to determine a FAIR RENT in respect of**  
**33 Armourer Drive, Neath Hill, MILTON KEYNES MK14 6JT**

**Ref. No.** CAM/00MG/F77/2005/0090

**Landlord:** Orbit Housing Association  
**Tenant:** Mrs R Stacey

<b>Rent at date of Application:</b>	£149.24 per calendar month
<b>Rent proposed by Applicant:</b>	£150.37 p.c.m.
<b>Rent determined by Rent Officer:</b>	£160.92 p.c.m.
<b>Rent determined by Committee:</b>	£160.92 p.c.m.

**MEMBERS OF THE COMMITTEE:** **Mr G M Jones - Chairman**  
**Mr R V N Auger FRICS**  
**Mrs J de M Ambrose**

<b>THE PROPERTY</b>	The Committee inspected the property in the presence of the tenant and found it to be generally as described in the Rent Register. It is a fair-sized two-bedroom terraced house with garage and front and rear gardens, let unfurnished through a 50-50 equity sharing scheme. The landlord insures the building and appears to be entitled under the terms of the lease to recoup insurance costs from the tenant.
<b>CONDITION</b>	The property appeared to be in fairly good condition except for the remnants of the original external woodwork, the condition of which was poor.
<b>TENANT'S IMPROVEMENTS</b>	The tenant has upgraded the space heating from partial to full central heating; installed double-glazing (replacing original doors and windows in very poor condition); upgraded and remodeled the tired kitchen (creating a separate dining area); refitted the bathroom and installed a shower above the bath; installed some fitted bedroom furniture; improved the existing electrical system; and landscaped the garden. The rental value of these improvements is very substantial.
<b>LOCATION</b>	Suburban street, with some social and some private housing, in a reasonable residential area of Milton Keynes, near the local centre.

**SCARCITY**

In the experience of the Committee, scarcity in the wider locality (Milton Keynes and its rural hinterland) for this type of property justifies a deduction of 15%.

**THE LAW APPLIED**

In short, the task of the Committee is to determine a 'fair rent' within the meaning of section 70(1) of the Rent Act 1977, taking into account all relevant circumstances (other than personal circumstances). A fair rent is a market rent adjusted for scarcity and disregards under section 70(3) – in particular, tenants' improvements. A discount will be appropriate under section 70(2) where there is a significant scarcity of similar dwellings available for letting in the locality. Rent capping may apply (see below). The rent will be exempt from capping if the landlord carries out repairs or improvements to the property as a result of which the uncapped fair rent determined for the property is at least 15% more than the existing registered rent. Full Reasons (if requested) will set out the relevant legal principles in detail.

**OPEN  
RENT****MARKET**

Based on the limited evidence and the Committee's own knowledge and experience, the open market rent for the property, if let on assured shorthold terms, fully modernised and in good order throughout, with central heating, double-glazing and carpets, curtains and white goods, would be £625.00 per calendar month.

**COMMITTEE'S  
CALCULATIONS**

Open market rent	£625.00 p.c.m.
Less:	
Deduction for lack of floor coverings, curtains or white goods 7.5%	
Adjustment for management obligations 2.5%	
Deduction for tenant's improvements 22.5%	<u>£203.12</u>
Adjusted open market rent for this property	£421.88
Less deduction for repairing obligations 15%	<u>£ 63.28</u>
	£358.59 p.c.m.
Reduction for scarcity 15%	<u>£ 53.79</u>
Section 70 rent	£304.80
Less cost to landlord of buildings insurance	<u>£ 15.42</u>
Net rent for property	£289.38
Half net rent payable by tenant	£144.69
Add back insurance costs	<u>£ 15.42</u>
Fair rent (before capping)	<b><u>£160.11 p.c.m.</u></b>

**THE RENT ACTS  
(MAXIMUM FAIR  
RENT) ORDER 1999  
DECISION**

The maximum fair rent calculated in accordance with the formula set out in the Order is £165.00 p.c.m. The rent is not exempt from capping.

The figure assessed by the Committee is so close to the Rent Officer's figure that the Committee declines to alter that assessment. As the maximum fair rent is more than the Committee's assessment, the fair rent is the Rent Officer's figure of £160.92 per calendar month.



**Geraint M Jones MA LLM (Cantab)**  
**Chairman**

**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 is received by the Panel Office within 21 days from receipt of this document. The papers will then be returned to the Chair for such detailed reasons to be prepared.