

SUMMARY STATEMENT OF REASONS
for the decision of the Committee which met on 13 July 2006
to determine a FAIR RENT in respect of
66 Stevenage Road, Hitchin, Herts SG4 9DR

Ref. No. CAM/26UF/F77/2006/0051

Landlord: Northumberland & Durham Property Trust Ltd
Landlord's agents: Graingers Residential Management of Newcastle-upon-Tyne
Tenant: Mr M Edwards

Rent at date of Application: £48.00 per week
Rent proposed by Applicant: £58.00 per week
Rent determined by Rent Officer: £52.00 per week
Rent determined by Committee: £54.00 per week (£63.75 per week before capping)

MEMBERS OF THE COMMITTEE: **Mr G M Jones - Chairman**
Mr R Marshall FRICS FAAV
Mr A J Jackson JP

THE PROPERTY 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 cheaply built terraced red brick two-bedroom house dating from between the world wars with flat felted roof and sash windows (recently painted by the tenant), let completely unfurnished.

CONDITION The property appeared to be in fair condition except for the sash windows (poor woodwork, broken sash cords); some springy floorboards (probably rotten joists).

TENANT'S IMPROVEMENTS Tenant's improvements include electrical wiring (1960's); gas fires; fitted kitchen; bathroom with gas water heater; lean-to conservatory; removing partition in rear bedroom; wrought iron front fence. The landlord provides only the shell of the building.

LOCATION Busy through route about 1 mile from town centre; opposite busy petrol station.

SCARCITY

In the experience of the Committee, scarcity in the wider locality (North Herts and South Beds, Luton and Stevenage) 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 MARKET RENT

Based on the 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 £650.00 per calendar month.

COMMITTEE'S CALCULATIONS

Open market rent	£650.00 p.c.m.
Less global deduction for age, character, size, condition, lack of modern facilities and tenant's improvements 50%	<u>£325.00</u>
Adjusted open market rent for this property	£325.00 p.c.m.
Reduction for scarcity 15%	<u>£ 48.75</u>
	£276.25 p.c.m.
Equivalent weekly figure	<u>£63.75 per week</u>

THE RENT ACTS (MAXIMUM FAIR RENT) ORDER 1999

The maximum fair rent calculated in accordance with the formula set out in the Order is £54.00 per week. The rent is not exempt from capping.

DECISION

As the maximum fair rent is less than the Committee's assessment, the fair rent is the capped figure of **£54.00 per week**.

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.