

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 26th JANUARY 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 28 GROSVENOR ROAD, BOREHAMWOOD, HERTFORDSHIRE WD6 1BT

File Reference No.: CAM/26UE/F77/2005/0130

Landlord: St Ermins Property Co Ltd
Landlord's Agent: B Bailey & Co, 118-120 Canbrook Road, Ilford, Essex
IG1 4LZ

Tenant: Mrs W Whitlock

Previous Registered Rent: £451.00 per calendar month which was the same as the capped rent under the Rent Acts (Maximum Fair Rent) Order £677.25 per calendar month

Rent Proposed by Landlords: £499.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped Rent £532.00 per calendar month)

Rent Determined by Rent Officer: £499.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped Rent £540.00 per calendar month)

Rent Determined by Committee: £499.00 per calendar month capped under the Rent Acts (Maximum Fair Rent) Order (Uncapped Rent £540.00 per calendar month)

Members of the Committee: Mr JR Morris (Chairman)
Mis M Krisko BSc (Est Man), BA FRICS
Mr M Bhatti JP

Clerk to the Committee: Ms R McKay LLB

The Tenancy:

The tenancy appears to be a statutory weekly periodic tenancy that commenced in 1936.

The Application:

The Landlord by a notice in the prescribed form received by the Rent Service on the 12th October 2005 proposed a new rent of £677.25 per calendar month. On the 24th November 2005 the Rent Officer registered a rent effective from 9th January 2006 of £499.00 per calendar month), which was capped under the Rent Acts (Maximum Fair Rent) Order 1999; the uncapped rent being £532.00 per calendar month. On 5th December 2005 the Landlord applied to the Rent Assessment Panel.

The Property:

The Property is a detached two-storey house of rendered elevations under a tile roof constructed circa 1920. The Property comprises a hall with stairs rising to the first floor hallway three living room and a kitchen the ground floor and 2 bedrooms and a bathroom with w.c. on the first floor. Space heating is by open fires and Tenant's appliances and water heating is by electric immersion heater and Tenant's boiler. The property has mains gas, electricity, water and drainage. The property is let unfurnished. Outside there are gardens to front and rear.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in fair condition. The Property has double glazing and the Tenant's paid half towards the patio door. Internally there is a basic and unmodernised kitchen and the plumbing is dated. The bathroom is not modern but serviceable. There is no heating in the larger front living room. There is a crack in the wall of one of the bedrooms. There are no carpets, curtains or white goods provided. There is Tenant's garage and hard standing for one vehicle although in poor condition. There is no parking on the road outside the Property. The property is situated about half a mile from Borehamwood town centre.

Law:

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

Open Market Rent

Neither party submitted rental evidence of comparable properties. The Tenant stated that the area was poor being affected by a drug problem. The Committee using the experience of its members determined that a market rent based upon comparable properties for the subject property, taking into account its location, in good condition with central heating, modern kitchen and bathroom, and let with carpets, curtains and white goods on an Assured Shorthold Tenancy would be £900.00 per calendar month. The Committee deducted the sum of £600.00 for the dated kitchen and basic bathroom, the lack of central heating, carpets, curtains and white goods and the want of some repair. 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, South Hertfordshire and adjacent parts of Buckinghamshire and the London Boroughs that are available for letting and a deduction would be made to reflect this of 10%

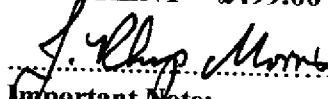
Committee's Calculations:

Open Market rent including services	£900.00
Less global deduction	<u>£300.00</u>
	£600.00
Less Scarcity 10%	<u>£60.00</u>
	£540.00

'Uncapped' fair rent £540.00

The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply since the Landlord has not undertaken any improvements or repairs since the last registration. The Order requires 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 £499.00 per calendar month, which is lower than the Fair Rent assessed by the Committee and therefore the uncapped rent is to be registered.

FAIR RENT = £499.00 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 from 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.