

## **EASTERN RENT ASSESSMENT PANEL**

### **STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 14<sup>th</sup> OCTOBER 2005 TO DETERMINE A FAIR RENT IN RESPECT OF 6 HIGH ELMS COTTAGES, WOODSIDE ROAD, WATFORD, HERTFORDSHIRE WD25 0JS**

File Reference No.: CAM/26UJ/F77/2005/0099

Landlord: St Ermins Property Co Ltd., Clive House, Old Brewery  
Mews, Hampstead, London NW3 1 PZ

Landlord's Agent: Douglas Duff, Kingmaker house, 15 Station Road, New  
Barnet, Hertfordshire

Tenant: Mr C Schutt

Existing Rent: £110.00 per week capped under the Rent Acts (Maximum  
Fair Rent) Order 1999 (uncapped rent £120.00 per week)

Rent Proposed by Landlords: £140.00 per week

Rent Determined by Rent Officer: £120.00 per week which is below the capped rent under the  
Rent Acts Maximum Fair Rent) Order 1999

Rent Determined by Committee: £122.50 per week capped rent under the Rent Acts Maximum  
Fair Rent) Order 1999 (uncapped rent £123.00 per week)

Members of the Committee: Mr J R Morris (Chairman)  
Mr J R Humphrys FRICS  
Mr J De M Ambrose

Clerk to the Committee: Mr M Allbut

#### **The Tenancy:**

The tenancy, which commenced in 1945, appears to be regulated under the Rent Act 1977. As a Tenancy, not being for a fixed period of 7 years or more, s11 of the Landlord and Tenant Act 1985 applies in respect of the Landlord's liability for repairs. Tenant is responsible for internal decorations.

#### **Application:**

The Landlord by a notice in the prescribed form proposed a new rent of £140.00 per week. On the 27<sup>th</sup> July 2005 the Rent Officer registered a rent effective from 30<sup>th</sup> September 2005 of £120.00 per week which is below the capped rent under the Rent Acts Maximum Fair Rent) Order 1999. On 31<sup>st</sup> August 2005 the Landlord applied to the Rent Assessment Panel.

#### **The Property:**

The Property is a two-storey semi-detached house of brick with render to the 1<sup>st</sup> floor under a tile roof constructed circa 1910. The Property comprises an entrance hall with stairs rising to the first floor, two living rooms, a kitchen and bathroom with separate wc on the ground floor and three bedrooms on the first floor. Water heating is by a Sadia heater for the kitchen and an electric immersion for the bathroom. Space heating is by open fires and Tenant's own appliances. There are mains electricity, gas and water. Drainage is by septic tank installed by the Landlord but maintained by the Tenant. There are gardens to front and rear and an outhouse and wc outside. There is a garage erected by the Tenant. The Property is situated on the outskirts of Watford. There is local shopping about 20 minutes walk away. The Property is let unfurnished.

#### **Condition:**

Externally the Property is in fair condition. There are replacement plastic double glazed windows but the woodwork, particularly the back door, is in need of redecoration. The roof has slipped and cracked tiles although no leaks were apparent. The boundary fence is in poor condition and needs to be replaced. The brick pillar to the front gate is in poor condition. Internally the Property has no central heating. As let the kitchen was basic with only a stone sink and cold water tap and there was no bathroom. The tenant has fitted a kitchen and bathroom and installed hot water. The Landlord installed an indoor toilet. There is some cracking to the ceilings.

**Law:**

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

**Open Market Rent**

The Landlord submitted evidence of 4 comparable properties however these were not direct comparables being in locations some distance from the Property. Nevertheless the Committee took note of them as a general guide to rental values. The Committee using the knowledge and experience of its members determined that a market rent for the 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 £210.00 per week. The Committee made a global deduction of 35% £73.50 per week to account for the lack of central heating, carpets, curtains and white goods. Also it accounts for the lack of facilities as let by the Landlord with no hot water a basic and dated kitchen and no bathroom. In addition the deduction takes account of the condition of the boundary fence and brick pillar and the poor state of external decoration. 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 Hertfordshire that are available for letting and a deduction would be made to reflect this of 10 %

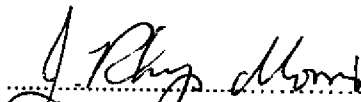
**Committee's Calculations:**

Open Market Rent:	£210.00 per week
Less global deduction of 35%	<u>£73.50</u>
	£136.50
Less Scarcity 10%	<u>£13.65</u>
	£122.85 per week

'Uncapped' fair rent say £123.00 per week

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 assessed rent of £123.00 per week, is higher than the capped rent under the Rent Acts (Maximum Fair Rent) Order 1999 of £122.50 and therefore the Capped rent is to be registered.

**FAIR RENT = £122.50 per week**



J.R. 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.