

EASTERN RENT ASSESSMENT PANEL

SUMMARY OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 29th AUGUST 2006 TO DETERMINE A FAIR RENT IN RESPECT OF 3 NORNEA FARM COTTAGES, NORNEA LANE, STUNTNEY, ELY, CAMBRIDGESHIRE CB7 5TT

File Reference No.:	CAM/12UC/F77/2006/0062
Landlord:	Area Estates Ltd
Landlord's Agent:	Bailey & Co, 118-120, Cranbrook Road, Ilford, Essex, IG1 4LZ
Tenant:	Mr B Hensby
Existing Rent:	£235.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped rent £297.50 per calendar month)
Rent Proposed by Landlord:	£270.25 per calendar month
Rent Determined by Rent Officer:	£259.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped rent £350.00 per calendar month)
Rent Determined by Committee:	£266.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order 1999 (Uncapped rent £300.00 per calendar month)
Members of the Committee:	Mr JR Morris (Chairman) Mr JB Shrive FRICS FAAV Mr RS Rehann
Clerk to the Committee:	Ms J Zaman

The Tenancy:

The tenancy appears to be a statutory monthly periodic tenancy which commenced in July 1972. According to the Rent Register the Landlord is responsible for external repair and decoration and the Tenant is responsible for internal decoration. The tenancy is subject to Section 11 of the Landlord and Tenant Act 1985.

The Application:

A rent of £235.00 per calendar month capped under Rent Acts (Maximum Fair Rent) Order 1999 was registered on 25th March 2004 effective from the 23rd April 2004. The uncapped rent was £297.50 per calendar month. The Landlord by a notice in the prescribed form received by the Rent Service on the 3rd April 2006 proposed a new rent of £270.25 per calendar month. On the 28th April 2006 the Rent Officer registered a rent effective from that date of £259.00 per calendar month, which was capped under the Rent Acts (Maximum Fair Rent) Order 1999, the uncapped rent being £350.00 per calendar month. On the 1st August 2006 the Landlord applied to the Rent Assessment Panel.

The Property:

The property is a two storey Victorian semi-detached house constructed of brick under a slate roof. The property comprises an entrance hall, a front living room, a rear living dining room with stairs rising to the first floor, a kitchen and a bathroom with separate wc on the ground floor. There are three bedrooms on the first floor. Space heating is by open fires and water heating is by a raybrun in winter and electric immersion heater in summer. Outside there are gardens to front and rear. The property has mains electricity, gas, water and septic tank drainage. The property is in a rural location. The property is let unfurnished.

Condition:

The Committee inspected the property in the presence of the Tenant. The exterior of the property is in fair condition however the roof requires attention as there are slipped slates on the main roof and signs

of water ingress in the front bedroom. The single storey extension at the rear of the Property appeared to be leaking along the cement fillet where the roof joins the house. The property has a mixture of wooden windows and metal windows. There are cast iron water goods. The Tenant stated that the septic tank requires maintenance and the electric supply is prone to 'tripping'. Internally the bathroom and kitchen are dated and basic. There is evidence of damp in the ground floor rooms. Carpets, curtains and white goods are not provided.

Law:

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

Fair Rent:

In written representations the Tenant's representatives stated that there was no central heating or double glazing and referred the Committee to dampness and the want of repair. Neither party submitted rental values of comparable properties. The Committee using the experience of its members determined that a market rent for a property similar to the subject property, taking into account its location, in good condition with central heating, double glazing, modern kitchen and bathroom, and let with some carpets, curtains and white goods on an Assured Shorthold Tenancy would be £625.00 per calendar month. However the Committee considered that a global deduction of £280.00 per calendar month should be made in respect of the subject property for a dated and basic bathroom and kitchen, the dampness, want of repair, the lack of double glazing, central heating, carpets, curtains or white goods. 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 Cambridgeshire, that are available for letting and a deduction would be made to reflect this of 10%

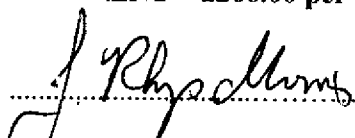
Committee's Calculations:

Open Market Rent:	£625.00 per calendar month
Less global deduction	<u>£280.00</u>
	£345.00
Less Scarcity 12.5%	<u>£ 43.12</u>
	£301.88

'Uncapped' fair rent £300.00 per calendar month

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 whichever 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 £266.00 per calendar month, which is lower than the Fair Rent assessed by the Committee and therefore the capped rent is to be registered.

FAIR RENT = £266.00 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.