

Eastern Rent Assessment Panel
Great Eastern House Tenison Road Cambridge CB1 2TR
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SUMMARY STATEMENT OF REASONS
for the decision of the Committee which met on 4 October 2005
to determine a FAIR RENT in respect of
154 Yarwell Court, High field Crescent, KETTERING NN15 6JT

Ref. No. CAM/34UE/F77/2005/0091

Landlord: Nene Housing Society Limited
Tenant: Mr R Priest

Rent at date of Application:	£212.00 p.c.m. (inc. £20.70 services)
Rent proposed by Applicant:	£235.70 p.c.m. (inc. £20.70 services)
Rent determined by Rent Officer:	£220.00 p.c.m. (inc. £20.70 services)
Rent determined by Committee:	£220.00 p.c.m. (inc. £20.70 services)

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

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. The property dates from about 1980. It is a very small two-room terraced bungalow suitable only for occupation only by a single person. It is substantially in its original condition, save that the landlord has installed gas-fired central heating to replace the original warm air system. The property was let unfurnished. The landlord maintains the communal grounds and provides lighting for common parts. There are no communal facilities on site.
CONDITION	The property appeared to be in fair condition except for two matters. There is subsidence in the rear wall, which had distorted the frame of the back door and there is a problem with damp, which, despite the best endeavours of the tenant, produces growths of mould in the bedroom and in the (internal) walk-in cupboard in the hall.
TENANT'S IMPROVEMENTS	None relevant.
LOCATION	A substantial social housing complex in a quiet residential street within easy walk of the local convenience store.

SCARCITY

In the experience of the Committee, scarcity in the wider locality (Northants) for this type of property justifies a deduction of 10%.

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 This is a very small property. 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 £290.00 per calendar month.

COMMITTEE'S CALCULATIONS

Open market rent	£295.00 p.c.m.
Less global deduction for age, character, condition and lack of furnishings and modern facilities 17.5%	<u>£ 51.62</u>
Adjusted open market rent for this property	£243.38
Reduction for scarcity 10%	<u>£ 24.34</u>
	£219.04 p.c.m.
Fair rent before capping, say	<u>£220.00 p.c.m.</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 £236.00 p.c.m.. The rent is not exempt from capping.

DECISION

As the Committee's figure is so close to the Rent Officer's assessment the Committee has decided to confirm his decision. As the maximum fair rent is more than the Committee's assessment, the fair rent is thus £220.00 per calendar month including £20.70 for services.

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.

FOR INFORMATION ONLY

CAPPING CALCULATION

Previous rent	£212.00		
RPI at last registration	181.3		
Latest published RPI	192.6	Difference	$11.3/181.3 = 0.0623276$
Enhancement factor	0.050	Add	$+ 1.050 = 1.1123276$
Multiply by previous rent	£235.81	Round up to nearest 50p	
Maximum fair rent	£236.00		