

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 2nd SEPTEMBER 2005 TO DETERMINE A FAIR RENT IN RESPECT OF 19 LOWLANDS CLOSE, NORTHAMPTON, NORTHAMPTONSHIRE NN11 4HU

File Reference No.: CAM/34UF/F77/2005/081

Landlord: Touchstone Housing, PO Box 160, Touchstone House,
Whitley Village, Coventry CV3 4HZ

Tenant: Mr Karella

Existing Rent: £260.95 per calendar month capped under Rent Acts
(Maximum Fair Rent) Order 1999 (Gross Rent £316.20 per
calendar month)

Rent Proposed by Landlords: £279.74 per calendar month

Rent Determined by Rent Officer: £205.70 per calendar month calculated with 50% share in
error (Gross Rent £336.60)

Rent Determined by Committee: £290.00 per calendar month capped under Rent Acts
(Maximum Fair Rent) Order 1999 (Gross rent £337.36 per
calendar month)

Members of the Committee: Mr JR Morris (Chairman)
Mr RC Petty FRICS
Mrs J De M Ambrose

Clerk to the Committee: Mr J Childe

The Tenancy:

The tenancy commenced on 9th September 1983 and appears to be regulated under the Rent Act 1977. The Tenant has 25% ownership of the property. 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 dated 13th April 2005 and received by the Rent Officer on the 22nd April 2005 proposed a new rent of £279.74 per calendar month. On the 2nd 24th May 2005 the Rent Officer registered a rent effective from the 11th July 2005 of £205.70 per calendar month, which was below the capped rent under Rent Acts (Maximum Fair Rent) Order 1999 the Rent Officer having deducted 50% for the Tenant's share in error. On 8th July 2005 the Landlord applied to the Rent Assessment Panel.

The Property:

The Committee were unable to obtain access to view the interior of the house and so an assessment was made based upon an external inspection and the Rent Officer's notes. The property is described in the Rent Officer's notes and on the Register as a detached 4-bedroom house comprising a living room, kitchen/diner and w.c. on the ground floor with 4 bedrooms and a bathroom on the first floor. It is also said to have a shared car space and gardens. There is a garage that belongs to the tenant. The Committee noted that the house was of brick construction under a tiles roof probably built circa 1980. The notes and Rent Register state that water and space heating is by a gas fired central heating system with supplementary immersion heater, has mains electricity, gas, water and drainage and that the property is let unfurnished. The property is situated in a residential area on the outskirts of Northampton

Condition:

The Committee inspected the exterior of the property and found it to be in good condition. The Rent Officer's notes state that the property is in good condition internally and that the Tenant has constructed the garage, fitted secondary double glazing to the ground floor, one of the bedrooms and

the bathroom and has fitted an additional cupboard and worktops in the kitchen. It is stated that no carpets curtains or white goods are provided.

Law:

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

Open Market Rent

Neither party submitted evidence of comparable properties. The Committee determined that a market rent for the subject property let on an Assured Shorthold Tenancy would be £650.00 per calendar month. However a global deduction of £160.00 per calendar month was made to take account of the Tenant's improvements and the lack of carpets curtains and 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. In addition an allowance of £66.00 per calendar month (15%) for the Tenant's share of the repairing obligations with a further deduction of 25% was made for the Tenant's premium payment.

Scarcity

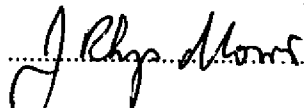
It was decided that there is substantial scarcity of "... similar dwelling-houses in the locality..." in this case Northamptonshire that are available for letting and a deduction would be made to reflect this of 10 %

Committee's Calculations:

Open Market Rent:	£650.00 per calendar month
Less global deduction	<u>£ 160.00</u>
	£490.00
Less Scarcity 10%	<u>£ 49.00</u>
	£441.00
Less repairing obligation (15%)	<u>£66.15</u>
	£374.85
Deduct allowance for landlord's insurance & management (10%)	<u>£37.49</u>
Gross Rent	£337.36
Less 25% Tenant's share	<u>£84.34</u>
	£253.02
Add allowance for landlord's insurance and management	<u>£37.49</u>
	£290.51
'Uncapped' fair rent say £290.00 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 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 £290.00 per calendar month, which is the same as the Fair Rent assessed by the Committee.

FAIR RENT = £290.00 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 form 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.