

EASTERN RENT ASSESSMENT PANEL

Statement of Reasons for the Decision by a Committee of the Panel following an Inspection
carried out on 11th November 2003

Rent Assessment Committee

Mrs H C Bowers MRICS (Chairman)

Mr J J Sims LJ.M MPhil

Mr M Bhatti

Case No.:	CAM/38UC/MNR/2003/99
Re:	17 Holywell Street, Oxford
Landlord:	Merton College
Tenant:	Ms A Merton

Introduction

1. The Committee considered an application dated 3rd September 2003, made by the tenant, Ms Merton, referring a notice proposing a new rent under an Assured Periodic Tenancy. The landlord had served a notice, dated 23rd July 2003, proposing that the rent for 17 Holywell Street, Oxford (the subject property) was to increase from £7,150 per annum to £18,000 per annum with effect from 29th September 2003.

The Statutory Provisions and the Tenancy Agreement

2. This matter comes under the jurisdiction of Sections 13 and 14 of the Housing Act 1988 (the Act). Section 13 of the Act provides for annual increase of rent under Assured Periodic tenancies by notice in the prescribed form, served by the landlord on the tenant and for the tenant by an application in the prescribed form to refer the notice to the Rent Assessment Committee.
3. Section 14(1) of the Act provides for the determination of rent by Rent Assessment Committee. The Committee is required to determine the rent at which the subject property could reasonably be expected to let in the open market by a willing landlord on the basis of an assured tenancy commencing on 29th September 2003 but upon the same terms as the subject tenancy, except as they relate to the amount of rent.
4. Section 14(2) of the Act states that the Committee shall disregard the following:-

- Any effect on the rent attributable to the granting of a tenancy to a sitting tenant;
 - Any increase in value of the property attributable to an improvement carried out by the tenant, other than in pursuant of an obligation;
 - Any reduction in the value of the property attributable to the tenant's failure to comply with the terms of the tenancy.
5. A copy of the tenancy agreement was made available to the committee. The agreement is for a quarterly tenancy commencing on 25th December 1947. The initial rent was £100 per annum. There is an obligation on the tenant to keep the interior of the premises in good and tenantable and decorative repair.

Inspection

6. We inspected the property on 11th November 2003, in the company of the tenant. The subject property is an inner terrace house with a double gabled façade. The house appears to be of stone and brick construction that has been rendered and with a tiled roof. The house is probably medieval in origin with subsequent alterations and certainly some nineteenth and twentieth century additions and alterations. The accommodation comprises two reception rooms a kitchen and a large shower room on the ground floor, on the second floor there is a large room used as a reception room with a study area, two bedrooms a bathroom and a separate WC and three further bedrooms on the second floor. The house has central heating and the wiring appears to be sound. The shower room on the ground floor has been well fitted and the sanitary-ware in the bathroom is in fair order. The kitchen had been refurbished in 1991 and whilst it is adequate the units are now showing signs of wear. The windows are a mixture of single glazed and double glazed and some secondary glazing provided. Whilst the house is attractive and relatively well maintained, there is some evidence of damp penetration.
7. Externally the property has no gardens to the front. At the rear there is a good-sized garden with a pedestrian access to the rear. There is a timber studio to the rear of the garden that has a electricity supply. There is no off street parking or garaging provided with the house.

Representations and Hearing

8. A hearing was held on 11th November 2003 at Oxford. The tenant, Ms Merton was in attendance. There was no representative for the landlord present at the hearing.. We had

previously received written representations from both parties and these had been copied to the other party.

Tenant's Case

9. Ms Merton provided a chronology of the occupation of the house by her family. Details were provided of the various improvements that were carried out to the property. We were provided details of the defects that affect the property and these include damp patches; occasional leaks from the roof; the corner in the second ground floor reception room; the condition of cupboards, plasterwork and light fittings in the kitchen; the plasterwork throughout the house; the fuse box and the external redecoration of the house.
10. A number of issues were raised regarding the nature of the tenancy and in particular in relation to the improvements carried out in the past. Representations were also made to us regarding the personal circumstances of the tenant and potential hardship that may arise from an increased rent.

Landlord's Case

10. Mr Gloag the agent acting for Merton College provided a brief history of the occupation of the property. Regarding the improvements it was the opinion of the agent that on the creation of the new Assured Tenancy all value of all the improvements carried out in the prior tenancy now revert to the landlord.

Consideration

11. In accordance with the Act we start by looking at the open market rental value of the property. From this we may make a number of adjustments as required by the Act and thus deduce the net market rent for the property under the Assured Periodic Tenancy.
12. Normally the value of any improvements carried out by the tenant is excluded in the calculation of the rent. However, in this case the improvements that were carried out to the property were carried out prior to 16th May 2003 and therefore prior to the current tenancy. Therefore the value of the improvements now reverts to the landlord.
13. Neither the landlord nor tenant provided us with information of letting of comparable properties. We were obliged to rely upon our own collective knowledge and experience of the local rental

market, we were of the opinion that the open market rent for this property would be £1,700 per calendar month. This rental level would be achieved for a property in “good modern letting condition”.

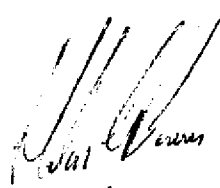
14. By “good modern letting condition” we mean what a prospective tenant would expect to find. The property would be in good structural and decorative order both inside and out. It would be carpeted and might have curtains. It might also have some “white goods” such as a cooker. That is what people in this locality expect of a letting on the open market and the comparable figures available are for practical purposes all for properties let on assured shorthold tenancies in that condition. In this case no carpets, curtains and white goods are provided and therefore a reduction of £170 per calendar month is necessary to reflect the lack of these items.
15. Additionally the kitchen, whilst being refurbished in 1991 is not to the standard that the market would expect for a property of this nature. Accordingly a prospective tenant would make a reduction in their rental bid of £50 per calendar month to reflect this issue.
16. Finally, there is evidence of damp and some items of disrepair, including the condition of the plasterwork, the market would generally demand that for this level of rent these defects should be remedied. Therefore we have decided to make a reduction of £100 per calendar month to reflect these items.
17. We therefore produced the following calculation on a calendar monthly basis:

Open Market Rent:	£	1,700
Less allowances for:		
Lack of Carpets, Curtains and White Goods	170	
Kitchen	50	
Disrepairs	<u>100</u>	
		<u>320</u>
		1380
Net Rent	£1380 per calendar month	

18. We therefore determine a rent of £1,380 per calendar month and this equates to **£16,500 per annum**. The rent is effective from **11th November 2003**, the date of the hearing as we consider that there would be some hardship arising from the adoption of an earlier date.

Chairman

Date:-


8/12/03