

**Eastern Rent Assessment Panel  
Rent Assessment Committee:**

**Housing Act 1988 ("the Act")**

**Ref:** CAM/22UE/MNR/2006/0001

**Address of Premises:** 14 Sydervelt Road, Canvey Island, Essex SS8 9EF

**The Tenants:** Mr Paul Thornton  
Mrs Joanne Thornton

**The Landlords:** Mr John Bell  
Mr Anthony Bell

**Committee Members:** Mr John Hewitt Chairman  
Mr Edward Pennington FRICS  
Cllr Robert Eschle JP

**Hearing:** 1 March 2006

**Decision:** 8 March 2006

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**DECISION**

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**1. Background**

- 1.1 On 24 January 2006 the Tenant of the Premises referred to the Committee a notice of increase in rent served by the landlord pursuant to s13 (2) of the Act.
- 1.2 The landlord's notice dated 13 January 2006 proposed a rent of £700 per month payable from 28 February 2006, the first rent day thereafter that coincides with the usual periodic rent day.
- 1.3 The tenancy commenced on 1 April 1996 as a monthly periodic tenancy with the rent payable monthly in advance on the 1<sup>st</sup> day of each month. At that time the rent was £350 per month. From time to time thereafter the parties mutually agreed increase in rent. At some point the then landlord, Mrs Bell and Mr & Mrs Thornton agreed a mutual variation of the terms of the tenancy so that the rent was to be payable fortnightly in advance, payable every other Thursday.

- 1.4 The Tenants remain in occupation of the Premises as statutory periodic tenants. The current rent is £210 per fortnight. This rent was mutually agreed to be payable as from 14 April 2005.
- 1.5 On 5 September 2005 Mrs Bell transferred the freehold interest in the Premises to her two sons who comprise the present Landlords.

## **2. Inspection**

- 2.1 The Committee inspected the Premises on 1 March 2006. The Landlords were also present. Mr Thornton showed us around the Premises. We found them to be in fair condition with some works of repair required. There seems to have been some movement in the foundations or footings. This has led to cracks in walls and also probably to the drainage system beneath the house. There was evidence of some movement of the porch. The kitchen floor, close to the external door, and was not stable. The construction was part timber framed and part brick built. Generally all of the rooms were small, save for the kitchen which was of a good size.
- 2.2 Inspection supported evidence given later by Mr Thornton that the Premises were probably built originally in the 1920s/30s as a modest small two roomed house (perhaps intended as a holiday home) and have been extended and added to, on more than one occasion since. The services may also have been added to ad hoc which has led to some difficulty with access to and lack of certainty over runs.
- 2.3 The conservatory was noted to let in water and some of the plastic panes were cracked and in need of replacement due to age.
- 2.4 Generally the property was well presented and plainly it has been well cared for with routine maintenance and internal and external redecoration undertaken on a regular basis. Nevertheless there is evidence of movement and structural instability.
- 2.5 At the inspection Mr Thornton drew attention to cracked asbestos walls
- 2.6 The following improvements had been made to the Premises by the Tenants:
  - Construction of a lean-to to the side of the property
  - Fencing along the boundaries
  - Landscaping of the gardens and the laying of stones
  - Redecorations
- 2.7 The following services are provided for the tenant:
  - None, relevant

## **3. The Hearing**

- 3.1 A hearing was held at The Oak Room, Hollywood Restaurant, 140 Shipwrights Drive, Thundersley. Mr & Mrs Thornton were both present as were Mr John Bell and Mr Anthony Bell.

- 3.2 Mr & Mrs Thornton told us of the circumstances in which the tenancy was granted and their account was not disputed by the Landlords. Mr & Mrs Thornton told us that about 3 weeks ago they learned that some of the walls of the premises are constructed of asbestos sheet and that some of these had cracked. They have not yet had opportunity to seek independent advice or consult with the local Environment Health Officer and doubtless they will wish to do so promptly. They were concerned about health risks but did not have any evidence to give to the Committee to confirm that such concerns were well founded.
- 3.3 Mr Thornton said that over the years repairs and maintenance of the Premises were discussed and agreed with Mrs Bell. Arrangements varied and were ad hoc but often Mrs Bell would supply or pay for equipment and materials and Mr Thornton would execute the works.
- 3.4 Mrs Thornton said that the lack of proper insulation in the walls led to high winter gas bills. She said that the summer bills generally were in the region of £30/£40 per quarter but went up to £140/£150 per quarter in the winter.
- 3.5 Mr & Mrs Thornton said that they were unable to assist the Committee with local rental levels of comparable properties. They said that there are now very few timber framed 3 bedroom detached bungalows on the Island. Those that became available tended to be sold as building plots, with little value attributed to the bungalow. They considered that a rent in the region of £455 per month would be reasonable for the Premises.
- 3.6 Mr J Bell contended for a rent at the rate of £750/£850 for a detached 3 bed roomed bungalow in good condition on Canvey. He accepted that a discount of £50/£100 per month was appropriate to reflect the current disrepair of the Premises. He said the premises were valued at £170,000 last July. To support his view Mr Bell produced some cuttings from local papers. They showed asking rents for 3 bed roomed detached bungalows at £695, ££845 and £895, although it looked as if the asking rent for the property at £895 had been reduced to £845 per month to try and achieve a letting. From the little information available it appeared that these properties were of brick built construction with larger room sizes than those on the subject premises. The Committee did not consider them to be overly helpful comparables due to the limited information about them and that there were plainly aspects of them that were quite different to the subject Premises.

#### **4. The Law**

- 4.1 In accordance with the terms of s14 (1) of the Act, the Committee is required to determine the rent at which it considered the Premises might reasonably be expected to be let in the open market by a

- willing landlord to a willing tenant under an assured tenancy, and the assumptions set out in subsections (a) to (d) of the section.
- 4.2 In doing so the Committee must, in accordance with s14 (2) of the Act, disregard the effect on rent attributable to the granting of a tenancy to a sitting tenant, any increase in the value attributable to any relevant tenant's improvements and any reduction in the value attributable to a failure by a tenant to comply with any terms of the tenancy.
- 4.3 In the absence of any agreed wider obligations, the landlords' obligations as to repairs are those set out in s11 Landlord and Tenant Act 1985. It may be helpful to the parties for us to record that the section provides that in the circumstances of the current tenancy the landlord is responsible to:
- a) keep in repair the structure and exterior of the premises, including drains, gutters, and external pipes.
  - b) keep in repair and proper working order the installations for the supply of water, gas and electricity and for sanitation (including basins, sinks and baths and sanitary conveniences) and fittings and appliances for making use of water, gas or electricity, and
  - c) keep in repair and proper working order the system for space heating and the heating of water.

## **5. The Rent**

- 5.1 In coming to its decision the Committee had regard to the evidence supplied by the parties, and the members own general knowledge and experience of market rents in the area of Canvey Island and the surrounding district.
- 5.2 The Committee had regard to the current condition of the Premises and disregarded the effect on value of the improvements carried out by the tenants. In the absence of any evidence that the cracked asbestos walls in the premises gave rise to a health hazard, the Committee felt obliged to assume there was no such risk, but the fact of cracked walls in themselves was taken into account. The Committee have little doubt that Mr & Mrs Thornton will be well advised to seek expert advice on any health risks associated with the asbestos walls promptly.
- 5.2 In the first instance the Committee determined what rent the landlord could reasonably expect to achieve in the open market if the Premises were let today in the condition that is considered usual for such an open market letting. The Committee considered that such a rent would be £700 per month.
- 5.5 However, the Premises are not in the condition considered usual for such a modern market letting. It is therefore necessary to adjust the hypothetical rent to allow for the differences between the condition considered usual for such a letting and the condition of

the actual premises as observed by the Committee, not challenged by the Landlord, and having regard to the provisions of s14(2) of the Act. We have set out above details of the condition of the premises which we believe detract from the rental otherwise achievable. The Committee considers that this requires a deduction of £205 per month.

5.6 Summary

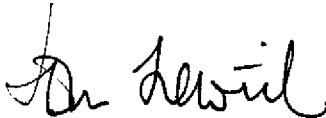
Open market modern rent	£700	per month
Deduction for condition	£205	

<b>Market rent</b>	<b>£495</b>	<b>per month</b>
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- 5.7 The terms of the current tenancy are that rent is paid fortnightly. The Committee calculates that a monthly rent of £495 equates to a fortnightly rent of £228 per fortnight

6. The Decision

- 6.1 The Committee decides that the market rent for the Premises shall be £228 per fortnight payable with effect on and from Thursday 2 March 2006.



(John Hewitt)

Chairman

Dated: 8 March 2006

**Note:**

This document contains a summary of the reasons for the Committee's decision. If either party requires extended reasons to be given, they will be provided following a request to the Committee clerk, which must be made within the period of 28 days beginning with the date on which this document is sent the parties.