

EASTERN RENT ASSESSMENT PANEL

STATEMENT OF REASONS FOR THE DECISION OF THE COMMITTEE WHICH MET ON 28th APRIL 2006 TO DETERMINE A MARKET RENT IN RESPECT OF 22WICKCLOSE, CORBY, NORTHAMPTONSHIRE NN18 8DF

File Reference No.: CAM/34UE/MNR/2006/0008

Landlords: Leicester Housing Association, 44 Princes Road, East,
Leicester LE1 7DQ

Tenant: Miss T Carley

Rent at date of Application: £67.54 per week

Rent Proposed by Landlord: £70.07 (including £0.71 service charge) per week

Rent Determined by Committee: £67.50 per week

Members of the Committee: Mr JR Morris (Chairman)
Mr JB Shrive FRICS FAAV
Mrs J De M Ambrose

Clerk to the Committee: Mr J Childe

The Tenancy:

The tenancy appears to be a contractual Assured non-shorthold periodic tenancy, which commenced on 3rd June 1996. As an Assured 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. A copy of the Agreement was provided under which the Landlord is responsible for the structure, exterior and installations and the Tenant is responsible for interior decoration.

Application:

The Landlord by a notice in the prescribed form dated 18th February 2006 proposed a new rent of £70.07 (including £0.71 service charge) per week to commence on the 3rd April 2006. On the 2nd March 2006 the Tenant applied to the Rent Assessment Panel.

The Property:

The Property is a three bedroom semi-detached house constructed of brick under a tile roof built in 1993/4. The Property comprises a hall with cloakroom, from which rises the stairs to the first floor, a lounge/dining room and kitchen on the ground floor and bathroom and three bedrooms on the first floor. Outside there are gardens to front and rear. The property has mains electricity, gas, water and drainage. Space heating and water heating is by a gas fired central heating system. The Property is let unfurnished. The property is situated in close proximity to local shopping, schools and bus services.

The Condition

The Committee inspected the Property in the presence of the Tenant and Mr Mould, and Mrs Pathak-Mould the Rent and Services Information Manager and Regional Manager of the Landlord respectively, Mr Collins, the tenant from next door was also present. Externally the Property is in fair to good condition. Internally there is a modern kitchen and bathroom although the bathroom is basic. Carpets, curtains and white goods are not provided. There is designated off road parking.

Law:

Sections 13 and 14 of the Housing Act 1988 apply

Open Market Rent:

The Tenant wrote that she did not consider the service charge for litter picking and cctv justified. She also mentioned number of other matters, which related to he personal circumstances, which the Committee were unable to consider in assessing the rent.

The Landlord wrote that the litter picking and cctv, for which a service charge had been introduced, were part of a series of initiatives to improve the quality of life on the estate and to reduce anti-social behaviour.

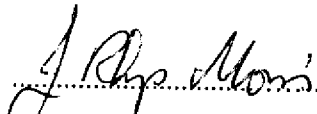
The Committee noted that in the standard form lease, a copy of which had been provided, there was provision for a service charge where applicable, however no services had been provided and no charged had been levied. The Committee found that services were not applicable to the Property under the Lease and therefore determined that the charge of £0.71 could not be levied.

Neither party submitted evidence of rents of comparable properties. Therefore the Committee using the experience of its members determined that the open market rent for the subject property in good condition, with central heating, double-glazing, modern kitchen and bathroom, and with carpets and curtains to be £80.00 per week. However the Committee made a global deduction of £12.50 per week for the lack of carpets and curtains. 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.

Market Rent for subject property

£67.50 per week

The Committee determined that in accordance with section 14 (1)(a) and (b) Housing Act 1988 the rent should commence from the beginning of the period of the Tenancy and having taken account of section 14 (7) Housing Act 1988, determined that the increased rent should take effect from the **3rd April 2006**.

 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.

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Rent Determined by Committee: £67.50 per week

Members of the Committee: Mr JR Morris (Chairman)
Mr JB Shrive FRICS FAAV
Mrs J De M Ambrose

Clerk to the Committee: Mr J Childe

THE PREMISES

1. The Property is a three bedroom semi-detached house constructed of brick under a tile roof built in 1993/4. The Property is let unfurnished.

Accommodation

The Property comprises a hall with cloakroom, from which rises the stairs to the first floor, a lounge/dining room and kitchen on the ground floor and bathroom and three bedrooms on the first floor. Outside there are gardens to front and rear and off road parking.

Services

Space heating and water heating is by a gas fired central heating system. The property has mains electricity, gas, water and drainage.

Furnishing

The property is let unfurnished. No white goods or floor coverings are provided.

Location

The property is situated in a residential area close proximity to local shopping, schools and bus services.

THE TENANCY

2. The tenancy appears to be a contractual Assured non-shorthold periodic tenancy, which commenced on 3rd June 1996. As an Assured 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. A copy of the Agreement was provided under

which the Landlord is responsible for the structure, exterior and installations and the Tenant is responsible for interior decoration.

THE APPLICATION

3. The Landlord by a notice in the prescribed form dated 18th February 2006 proposed a new rent of £70.07 (including £0.71 service charge) per week to commence on the 3rd April 2006. On the 2nd March 2006 the Tenant applied to the Rent Assessment Panel.

THE INSPECTION

4. The Committee inspected the Property in the presence of the Tenant and Mr Mould, and Mrs Pathak-Mould the Rent and Services Information Manager and Regional Manager of the Landlord respectively. Mr Collins, the tenant from next door was also present. Externally the Property is in fair to good condition. Internally there is a modern kitchen and bathroom although the bathroom is basic there being no shower. Carpets, curtains and white goods are not provided. There is designated off road parking. The Property is in a cul de sac. On the day of the inspection there was a significant quantity of litter notwithstanding that it was the waste bin collection day.

THE TENANT'S CASE

5. In written representations the Tenant submitted that the estate on which the Property is situated is made up mostly of Social Housing and that most of the tenants are in receipt of 100% Housing Benefit and any increase in rent is met by the benefit. However the Tenant stated that she had to find the rent from her own resources. She said that the rent has steadily increased year on year. She is a working parent with two children paying more than half the rent herself and almost full council tax.
6. The Tenant also stated that for the past 12 years no service charge had been charged but a service charge was now being demanded with the increase in rent. She had not agreed to pay the Service charge. She said that the items which are to be paid for by the Service Charge are the CCTV which does not cover her Property and does not reduce her house insurance and the litter picking which should be carried out by the local authority and paid for from the Council Tax. The Tenant submitted a letter to the Housing Association from her neighbour supporting her view in relation to the Service Charge.
7. With regard to comparable rents the tenant said that she had a sibling who lives on the estate and whose house was the same as the Property and her rent is £3 less a week.

THE LANDLORD'S CASE

8. The Landlord made written representations stating that the Association had a portfolio of 5000 units of self contained accommodation throughout the counties of Leicester, Nottingham and Northampton let to secure and Assured tenants. The Association rent reflect the Government Rent reforms of Social Sector housing which were implemented from April 2002. The Property is one of 114 similar properties on the estate. The weekly rent for the Property has been increased as follows:
June 2000 £62.13

April 2003 £63.73
 April 2004 £65.51
 April 2005 £67.54
 The proposed rent is:
 April 2005 £69.36 plus £0.71 Service Charge

9. The Service Charge is based on anticipated costs during 206 for the provision of litter picking and CCTV security. These services are provided as part of initiatives to combat anti social behaviour which has plagued the estate over the past 5 years. The initiatives include:

- The establishment of the Oakley Vale Street Watch
- Police and Housing Association partnership
- The installation of CCTV
- Regular residents' newsletters
- Residents' litter picks
- Creation of a Community Group

Theses moves have had a significant impact but a charge was needed to be veiled to meet the continuing provision of litter picking and CCTV surveillance. Residents were consulted in January 2006 and in the absence of disagreement a service charge was levied from April 2006. The Association consider that there has been sufficient consultation to justify introducing the charge.

THE LAW

10. By virtue of section 14 (1) Housing Act 1988 the Committee determined the rent at which the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord under an assured periodic tenancy-
- (a) having the same periods as those of the tenancy to which the notice relates;
 - (b) which begins at the beginning of the new period specified in the notice;
 - (c) the terms of which (other than relating to the amount of rent) are the same as those of the subject Tenancy
11. By virtue of section 14 (2) Housing Act 1988 in making a determination the Committee shall disregard –
- (a) any effect on the rent attributable to the granting of a tenancy to a sitting tenant;
 - (b) any increase in the value of the dwelling-house attributable to a relevant improvement (as defined by section 14(3) Housing Act 1988) carried out by a tenant otherwise than as an obligation; and
 - (c) any reduction in the value of the dwelling-house due to the failure of the Tenant to comply with any terms of the subject Tenancy.

THE DETERMINATION

12. The Tenant wrote that she did not consider the service charge for litter picking and cctv justified. She also mentioned number of other matters, which related to he personal circumstances, which The Committee were unable to consider the personal circumstances of the tenant in assessing the rent. The Committee noted the reasons for

introducing the Service Charge and commended the Landlord and Tenants in their community initiatives. A copy of the standard form lease had been provided which had a section allowing for a service charge to be levied where applicable. However this section had not been completed, no services had been provided and no charge had been levied. The Committee therefore found that services were not applicable to the Property under the Lease and therefore determined that the charge of £0.71 could not be made.


13. Neither party submitted evidence of rents of comparable properties in their written representations. Therefore the Committee used the experience of its members and determined that the open market rent for the subject property in good condition, with central heating, double-glazing, modern kitchen and bathroom, and with carpets and curtains to be £80.00 per week. However the Committee made a global deduction of £12.50 per week for the lack of carpets, curtains and white goods and tenant's decorating liability. 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.

THE DECISION

14. The Committee determined that in accordance with section 14 (1)(a) and (b) Housing Act 1988 the rent should commence from the beginning of the period of the Tenancy and having taken account of section 14 (7) Housing Act 1988, determined that the increased rent should take effect from the **3rd April 2006**.

Market Rent for subject property

£67.50 per week

.....JR Morris, Chairman

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 of Reasons must not be relied upon as a guide to the structural or other condition of the property.