

EASTERN RENT ASSESSMENT PANEL

Statement of Reasons for the Decision by a Committee of the Panel following an Inspection
carried out on 4th September 2003

Rent Assessment Committee

Mrs H C Bowers MRICS (Chairman)

Mrs S Redmond BSc(Econ) MRICS

Lady Yardley

Case No.:	CAM/11UF/MNR/2003/93
Re:	Flint Cottage, 51 Church Lane, West Wycombe, Bucks.
Landlord's Agents:	The National Trust
Tenant:	Miss L Lynch

Introduction

1. The Committee considered an application dated 11th August 2003, made by the tenant, Miss Lynch, referring a notice proposing a new rent under an Assured Periodic Tenancy. The landlord's agents had served a notice, dated 3rd July 2003, proposing that the rent for Flint Cottage (the subject property) was to increase from £420 per calendar month to £500 per calendar month with effect from 1st September 2003. We understand that the rent currently paid is £430 per calendar month.

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 1st 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 dated 29th April 1996 was made available to the Committee. Clause 6 places certain repairing obligations on the tenant. Particular extracts from this clause state:

6 (C) (i) To put and keep the Premises (including but without prejudice to the generality of the foregoing all internal structural walls all internal doors and stairs the internal plasterwork on all walls the sash cords locks stays catches and glass of all windows and doors the fireplaces and cookers and the ceilings skirting boards and floor boards) and all fixtures and fittings therein in good and substantial repair and condition and to replace such of the said fixtures and fittings as may in the opinion of the Trust be damaged beyond repair or be worn out or require replacing for any other reason Provided That this sub-clause shall not oblige the Tenant to carry out any work which falls within the liability of the Trust by virtue of its obligations hereinafter contained

6 (C) (iv) to put and keep the boundary and other walls fences and hedges and the gates paths and drives of the Premises and any courtyards and other existing surfaced areas forming part of the Premises in good and substantial repair and condition

6. The landlord's repairing obligations are set out in Clause 8 (B) and state:

8 (B) (i) to keep in repair the structure and exterior of the Premises (including drains gutters and external pipes)

8 (B) (ii) to keep in repair and proper working order the installations in the dwelling-house for the supply of water gas and electricity and for sanitation (including basins sinks baths and sanitary conveniences but not other fixtures fittings and appliances for making use of the supply of water gas or electricity)

8 (B) (iii) to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water but not to service or replace any part damaged by the Tenants failure to service the installations

Inspection

7. We inspected the property on 4th September 2003 in the company of the tenant and Mr Pavey a representative of the tenant. The subject property is a detached bungalow. Originally the property was constructed as a school in 1839 and has been subsequently converted to provided residential accommodation. It is of flint and brick construction under a slate roof. The accommodation comprises kitchen, living room, two bedrooms, a bathroom and a utility area. The property is situated on a sloping site and there is no off street parking. There is a solid fuel range that provides the hot water for the cottage, but the flue would appear to require some attention. At the commencement of the tenancy the only form of heating appear to be from the solid fuel range in the kitchen and an open fire in the living room. The tenant has subsequently installed night storage heaters throughout the property. We understand from the tenant that when the property was originally let the kitchen had no units or a sink, the tenant has now levelled the floor and installed some basic kitchen units. The bathroom is quite dated and the WC needs some attention.
8. A number of defects were noted by the tenant and observed by the Committee these included re-pointing required to the chimney, the condition of some of the windows and the French doors in the living room, some exposed wiring, the walls, paths and fences of the property and the absence of railings on the steps leading from the living room to the garden.

Representations and Hearing

9. The tenant indicated that she did require a formal hearing. A hearing was held on 4th September 2003 in High Wycombe. Miss Lynch and her representative Mr Pavey attended the hearing. The landlord was not represented at the hearing. The landlord and tenant had sent written representations that had previously been copied to the parties.

Tenant's Case

10. The tenant expressed her view that the property was not worth £500 per calendar month. There were a number of repairs that were outstanding and although Miss Lynch had informed the

landlord of the work required the repairs had not been carried out. When the property had been originally let there had been no kitchen and no modern form of heating to the cottage. Miss Lynch had carried out a number of improvements. Miss Lynch provided brief details of a property let in West Wycombe to her sister at a rent of £440 per calendar month.

Landlord's Case

11. Messrs Dreweatt Neate the agents acting for the landlords provided a brief history relating to the proposed rent increase. In respect of the items of disrepair, we were referred to Clause 6(C)(i) of the tenancy agreement and also the requirement in the agreement that the tenant should report in writing any items of disrepair that are the responsibility of the landlord. We were not provided with any comparable information, as it is the opinion of the landlord that properties let by The National Trust in the village of West Wycombe have not been reviewed to their full market rent.

Consideration

12. 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.
13. The landlord did not supply us with any comparable information and the information provided by the tenant is of limited assistance as we have no details of the condition of the property and of any relevant lease terms we also believe that this is not an open market letting. However, given 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 £800 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.
15. We have found the property to be in only a fair condition and would require extensive work to bring it up to a standard that would command the open market rental value of £800 per calendar

month. No furnishings were provided with the property. Likewise the house has no central heating, only the night storage heaters provided by the tenant. The kitchen and the bathroom in this property as originally let and disregarding the improvements carried out by the tenant is not up to the standard that would normally be required for this category of housing. There are some items of disrepair, which according to the agreement are the responsibility of the landlord. We have made a deduction to the open market rent to reflect these issues.

16. Additionally we have made an adjustment to reflect the significantly different obligations about repairs and decorations, between the usual open market Assured Shorthold Tenancy and this tenancy. The Assured Shorthold tenant normally takes a property in good decorative order with liability subject to "fair wear and tear". The tenant for the subject property has a greater liability, which should be reflected. It is our collective opinion that someone taking a tenancy in the open market that imposed those additional obligations upon him would be prepared to pay less by way of rent than he would pay if the landlord were to be responsible for dealing with them. The reduction would usually bear relation to what it would cost to put and keep the interior of this home in good decorative order and repair.

17. We therefore produced the following calculation on a calendar monthly basis:

		£
Open Market Rent:		800
Less allowances for:)	
Lack of Carpets, Curtains and White Goods)	
Lack of Central Heating)	45%
Repairing Obligations)	
Poor Kitchen/Bathroom/Items of Disrepair)	
		<u>360</u>
		440
	Net Rent	£440

18. We therefore determine a rent of £440 per calendar month. The rent is effective from 1st September 2003, the date given in the landlord's notice as no representations were made to with regards to hardship.

Chairman

A handwritten signature in black ink, appearing to read 'Helmut Baum', written in a cursive style.

Date:-

15.9.03 .