

BIR/39UB/MNR/2004/0006

**THE RENT ASSESSMENT COMMITTEES
(ENGLAND & WALES) REGULATIONS 1971
CERTIFICATE OF CORRECTION**

I hereby certify that due to a clerical error the information contained in **Section One** of the Rent Assessment Committee: Extended reasons for decision. That was made by the Rent Assessment Committee and signed by me on Wednesday 31st March 2004, in respect of Bumble Cottage 2 Patshull Road, Albrighton, Nr. Wolverhampton, WV7 3BH, was incorrect.

The tenancy is a periodic tenancy, the current rent being £350.00 per month.

The correct information should state...

The tenancy is a periodic tenancy, the current rent being £300.00 per month

**MR A.P. Bell MA LLB
Chairman**



Date: 15 April 2004

Date: 11 March 2004
Our Reference: APB/MAP
Your Reference:
Please ask for: Tony Bell

Mr M Deakin
Midland Rent Assessment Panel
2nd Floor
East Wing
Ladywood House
45-46 Stephenson Street
Birmingham B2 4DH



Dear Mark

Bumble Cottage 2 Patshull Road Wolverhampton

I am enclosing the Extended Reasons and Notice of the Committee's decision.

Many thanks for your help.

Yours sincerely

A P BELL

Enclosure: Extended Reasons
Notice of Committee's decision

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Cindy Quirk



INVESTORS IN PEOPLE

**Rent Assessment Committee: Extended reasons for decision.
Housing Act 1988**

Address of Premises

Bumble Cottage
2 Patshull Road
Albrighton
Nr Wolverhampton
WV7 3BH

The Committee members were

Mr A P Bell
Mr M Williams
Mrs N Dukes

1. Background

On 8 January 2004 the tenant of the above property referred to the Committee a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.

The landlord's notice, which proposed a rent of £450.00 per month with effect from 1 March 2004 is dated 21 October 2003.

The tenancy is a periodic tenancy, the current rent being £350.00 per month.

2. Inspection

The Committee inspected the property on 3 March 2004 and found it to be in fair condition. The Committee did note that the property was affected by penetrating dampness.

The following qualifying tenant's improvements had been made to the property by the tenant. The replacement of brick laid floor with a concrete floor; the replacement of majority of all windows; the installation of oil fired central heating and rewiring throughout the property; the provision of a damp proof course; the installation of a bath and wc in a former bedroom; the replacement of an old porcelain sink in the kitchen; the construction of a new roof using the original tiles.

The Committee also carried out an external inspection of 2 Wildicote Cottage Rushey Lane Wildicote Albrighton referred to in the letter of the landlord's surveyor, David Berriman, dated 18 February 2004 and also The Old School House Boningdale near Albrighton referred to in the landlord's written representations.

3. Evidence

The Committee received written representations from the landlord and the tenant and these were copied to the parties.

A hearing was held at the Old School Station Road Albrighton Wolverhampton at 11 am on 3 March 2004 at which oral representations were made by the landlord and the tenant.

At the hearing the tenant, Ms B Welshman, said that no work had been carried out by the landlord to the property during the last twelve months. She expressed the view that the open market rent of the property was £250.00 per month from which she considered £100.00 should be deducted to take account of the improvements made by her leaving a net rent of £150.00. She indicated that she was prepared to pay an increased rent which reflected the increase in the cost of living but not a fifty per cent increase as sought by the landlord.

The landlord, Mrs A Griffiths, accepted that the improvements had been carried out by the tenant. She said that in seeking a rent of £450.00 per month she was relying on the letter of David Berriman of 18 February 2004 which formed part of her written representations to the Committee. She also relied upon the fact that the Old School House Boningdale near Albrighton had been let at a rent of £575.00 per month which she told the Committee had been modernized by the landlord to a high standard in consequence of £30,000.00 being spent on the property.

4. The law

In accordance with the terms of section 14 Housing Act 1988 the Committee proceeded to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.

In so doing the Committee, as required by section 14(1) of the Housing Act 1988, ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act.

5. The decision

The Committee concluded that the rent at which the property might reasonably be expected to be let on the open market in its current condition would be £475.00 per month. In coming to its decision the Committee had regard to the evidence supplied by the parties and the members' own general knowledge of market rent levels in the area of Wolverhampton and the neighbouring areas in Staffordshire and Shropshire.

However, from this figure the Committee are required by virtue of section 14 of the Housing Act 1988, to discount the rent so as to disregard the increase in the value of the property attributable to the improvements carried out by the tenant. The improvements are very extensive indeed and it is the view of the Committee that without these improvements the property would be extremely difficult to let. The Committee have concluded that the appropriate reduction in the rent to reflect the increase in value of the property attributable to the tenant's improvements is £150.00 per month.

Accordingly the net rent determined by the Committee in accordance with section 14 of the Housing Act 1988 is £325.00 per month.

The rent will take effect from 1 March 2004 being the date specified by the landlord in the notice of increase.

Chairman

AP Lu

Dated

11 March 2004

This document contains a summary of the reasons for the Rent Assessment 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 21 days from the date of issue of this document.