

Rent Assessment Committee

Full Reasons for Decision.

Housing Act 1988

Address of Premises

3 & 4 Fairview Cottages,
Back Road,
Sandhurst,
Kent TN18 5JT

The Committee members were

Mr J B Tarling MCMI
Mr R. Athow FRICS MIRPM

Parties:

Regis Direct – Landlord

Mrs A.T. Rogers – Tenant

Inspection: 9th October 2006

Decision: October 2006

1. Background

On 24th August 2006 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 £625.00 per month with effect from 1st September 2006, is dated 13th July 2006. The tenancy commenced on 31st March 1979. The Tenant remains in occupation as a statutory periodical tenant. The current rent is £540.00 per month.

2. Inspection

The Committee inspected the property on 9th October 2006. The property comprised two adjacent cottages in the centre of the village of Sandhurst. The Building was Grade II Listed. The cottages were constructed with brick with a tiled roof and the upper parts of the main walls were covered with white weatherboard. The property comprised two storeys and was at the end of a terrace of similar cottages. The two cottages had been formed into one unit of living accommodation by removing part of the dividing wall on the ground floor at the rear, so access from one cottage to the other was through the rear kitchen. However the two staircases to the first floor remained. This meant that each first floor bedroom was accessed from a separate staircase. It was not possible to walk directly from one bedroom to the other on the first floor without walking down one staircase and up the other. This made the accommodation rather unusual in layout and may have an effect on limiting letting potential. There was a further stair-ladder from one of the bedrooms up to an attic which comprised a non-habitable room due to its limited headroom. The accommodation comprised two bedrooms, a sitting room and dining room at the front of each cottage, a kitchen at

the rear of both cottages, a bathroom, a separate wc. A hot water cylinder with electric immersion heater supplied the domestic hot water. The property was in a fair state of repair and decoration. The tenant had installed the electric storage heaters which provided the heating. There was an open fireplace in the Lounge. The Landlord had replaced the wooden windows about four years ago. Outside there were gardens at the front and rear and a parking space for two cars.

3. Representations

The parties had both indicated in writing that they did not wish to have a formal hearing and that they were content for the matter to proceed on the basis of the Committee's inspection and a subsequent determination after consideration of the written representations.

4. The tenant had sent in written representations in which he listed the Tenant's improvements carried out since January 2001. These were as follows:

- (a) Complete Fencing to Garden
- (b) Off Road Parking for 2 cars
- (c) Insulation to external walls of Bedroom 1, kitchen and downstairs wc
- (d) Provision of electric storage heaters to whole of property
- (e) Kitchen units
- (f) Boarding to loft room of No. 4 Cottage
- (g) Replacement skirting boards in keeping with a listed building
- (h) Wall tiling to bathroom
- (i) Built in cupboards within Lounge
- (j) Provision of garden shed.

The Tenant said no major improvement works had been carried out by the Landlord since the Committee's last determination. The Tenant supplied copies of extracts from local publications showing the optimum market rental being asked for similar properties in the area of about £615.00 per month which is the same market rent assessed by the previous Committee. The Tenant also said an increase of £13.50 per month from £540.00 to £553.50 per month would be acceptable, instead of the rent of £625.00 per month requested by the Landlord. The advertisements listed asking rents for similar rural village properties ranging from £575.00 to £650.00 per month.

The Landlord made no written representations but in the letter of increase dated 13th July 2006 it referred to the increase being "in accordance with the retail price index."

5. The relevant law relating to the determination of rent

Section 14 of the Housing Act 1988 requires the Committee 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), is to ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in Section 14(2) of that Act.

6. Consideration

The Committee worked through the written representations received from the Tenant. In particular it worked through the advertisements suggesting comparables supplied by the Tenant. Whilst these comparables were helpful to give an idea of what other properties were available on the market, none of the comparables was evidence of actual lettings, but were merely asking rents.

They gave insufficient information as to the terms and conditions of the proposed tenancies to enable the Committee to be able to rely on the accuracy of the information.

In respect of the Landlord's suggestion that any rent increases should follow the Retail Prices Index, the Committee did not agree that the rental market generally following that index. The rental market fluctuated according to supply and demand and varied from one part of the country to another. The Committee did not adopt that method in assessing rents.

After considering all the evidence and using the Committee's combined knowledge and experience of the rental market in West Kent, the Committee came to the conclusion that the correct starting figure for a market rent for this property in a good condition would be in the region of £625.00 per month.

7. Deductions

From the starting market rent deductions should be made to reflect the lack of carpets and curtains and white goods which a landlord normally supplies with an assured shorthold tenancy, a deduction to account for the more onerous repairing and decorations responsibilities in this tenancy, and a deduction for the absence of any Landlord's central heating. The Committee produced the following calculation:

Open market rent	Per month	Per month
Less allowances for:		£625.00
Lack of carpets curtains and white goods	£25.00	
Tenants internal decorating/repairing		
Liability	£10.00	
Lack of Landlord's central heating	<u>£50.00</u>	
	£85.00	<u>£85.00</u>
		£540.00

8. Conclusion

The Committee therefore concluded that the rent at which the property might reasonably be expected to be let on the open market in its current condition and on the terms of the existing tenancy would be £540.00 per calendar month. This is the same rent as is currently being paid and there is to be no increase in rent.

Chairman


Mr J B Tarling MCMI

Dated

20th October 2006