

Rent Assessment Committee: Summary reasons for decision.**Housing Act 1988****Address of Premises**

5, Nursery Close
Whitstable
Kent CT5 1PD

The Committee members were

Mrs H Bowers MRICS
Mr M Marshall FRICS
Ms L Farrier

1. Background

On 5th April 2005 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 £600 per calendar month with effect from 1st May 2005 is dated 31st March 2005.

The tenancy is a periodic tenancy, which commenced on 1st September 1995. The rent currently payable is £450 per calendar month.

2. Inspection

The Committee inspected the property on 7th June 2005 and found it to be in good condition. The property is a semi-detached bungalow dating from the 1970's. There are two bedrooms, a living room, kitchen and bathroom. The property has central heating and there are double-glazed UPVc windows to the rear elevation.

3. Evidence

The committee received written representations from the landlord and tenant these were copied to the other party.

Neither party requested a hearing at which oral representations could be made.

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), 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.

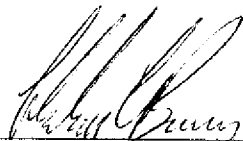
In coming to its decision the Committee had regard to the members' own general knowledge of market rent levels in the area of Whitstable and concluded that an appropriate market rent for the property would be £600 per calendar month. However, the property is not in the condition that would command that level of rent. We have therefore made a deduction of £80 per calendar month to reflect the current condition of the property. This leaves an adjusted rent of £520 per calendar month.

5. The decision

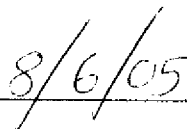
The Committee therefore concluded that the rent at which the property might reasonably be expected to be let on the open market would be £520 per calendar month.

This rent will take effect from 1st May 2005 being the date specified by the landlord in the notice of increase.

Chairman



Dated



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.

SOUTHERN RENT ASSESSMENT PANEL

Statement of Reasons for the Decision by a Committee of the Panel following an Inspection
carried out on 7th June 2005

Rent Assessment Committee

Mrs H C Bowers MRICS (Chairman)

Mr M Marshall FRICS

Ms L Farrier

Case No.: CHI/29UC/MNR/2005/0051
Re: 5, Nursery Close, Whitstable, Kent.
Landlord: Elaine Berry
Tenant: Barry Smith

Introduction

1. The Committee considered an application made by the tenant, Mr Smith, referring a notice proposing a new rent under an Assured Periodic Tenancy. The landlord, Miss Berry, had served a notice, dated 31st March 2005, proposing that a rent of £600 per calendar month for 5, Nursery Close (the subject property) with effect from 1st May 2005.

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 May 2005 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. There was no copy of a tenancy agreement available to the Committee. The tenant has a monthly tenancy, which commenced on 1st September 1995.

Inspection

6. The subject property is a semi-detached bungalow. It is of brick and tiled construction. The accommodation comprises one reception room, two bedrooms, a kitchen and a bathroom. The bungalow has central heating. Both the kitchen and the bathroom are in a fair condition. In the kitchen and living room there are double-glazed units, but the locks are currently broken and therefore the windows cannot be opened. The remainder of the bungalow has wood framed windows, these along with the bargeboards are in need of redecoration. In general the property is in fair condition.
7. There are gardens to the front and rear of the property and a narrow driveway. There is a garage, but this is in quite poor condition and vehicular access from the driveway appears to be impossible. The driveway is subject to localised flooding. The bungalow is located on a quite residential road, with similar properties in the vicinity.

Representations and Hearing

8. The parties indicated that they did not wish to have a formal hearing. Accordingly the matter was dealt with by the means of written representations.
9. Tenant's Case
- The tenant provided a history of his occupation of the bungalow. Whilst Mr Smith has carried out his obligations to keep the interior in good decorative order, in Mr Smith's opinion the landlord has failed to repair or redecorate the exterior of the property. The latches to the double-glazed units have broken and therefore the windows cannot be opened. The driveway and footpath are in need of some attention and access to the garage is impossible due to the position of the steps to the bungalow. The boundary fence is unsafe. In the opinion of Mr Smith the rent of £450 per month is fair given the condition of the property.

10. Landlord's Case

Local agents had advised the landlord that the rental value of the property was between £600 and £700 per calendar month. We were also provided with copies of adverts from the local paper and internet searches. A two bedroom detached bungalow in Tankerton was being offered at £600 per calendar month and a two bedroom house in Tankerton was being offered at £600 per month.

Consideration

11. 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.
12. We were provided with some information of comparable properties in the same location as the subject property. With this information, together with 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 £600 per calendar month. This rental level would be achieved for a property in "good modern letting condition".
13. 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, also it would be expected that the property would have central heating. 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. In this case no curtains and white goods are provided and therefore a reduction in the rent of £40 per calendar month is necessary to reflect the lack of these items.
14. There are some outstanding items of disrepair including the external decorations. We have made a reduction of £40 per calendar month to reflect the current condition of the property.

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

		£
Open Market Rent:		600
Less allowances for:		
Lack of Curtains and White Goods	40	
Disrepair	<u>40</u>	
	80	<u>80</u>
		520

17. We therefore determine a rent of £520 per calendar month. This rent will be effective from the 1st May 2005, the date in the landlord's notice.

Chairman



Date:-

27/6/05