

## **SOUTHERN RENT ASSESSMENT PANEL**

Statement of Reasons for the Decision by a Committee of the Panel following an Inspection  
carried out on 29<sup>th</sup> January 2003

Rent Assessment Committee

Mrs H C Bowers MRICS (Chairman)

Mr P Turner-Powell FRICS

Mr D Wills

Case No.: CHI/24UB/MDR/2002/0003  
Re: 7 New Barn Farm Cottage, Hurstbourne Priors, Whitchurch.  
Landlord: Eagle Star Life Assurance Co Ltd  
Tenant: M J & M E Wild

### **INTRODUCTION**

1. The Committee considered an application made by the tenants, Mr and Mrs Wild, referring a rent under an Assured Shorthold Tenancy. The application was received on 13<sup>th</sup> December 2002. The rent under the Assured Shorthold Tenancy Agreement dated 7<sup>th</sup> November 2002 is currently £600 per calendar month.

### **THE STATUTORY PROVISIONS AND THE TENANCY AGREEMENT**

2. This matter comes under the jurisdiction of Section 22 of the Housing Act 1988 (the Act). Section 22 of the Act provides for the reference of an excessive rent to the Rent Assessment Committee.

3. Section 22(3) of the Act provides that the Rent Assessment Committee shall not make a determination of the rent unless the Committee considers that there are a sufficient number of similar dwelling-houses in the locality let out on assured tenancies and that the rent payable under the Assured Shorthold Tenancy under consideration is significantly higher than the rent which the landlord might reasonably be expected to be able to obtain under the tenancy, having regard to the level of rents payable under assured tenancies of similar properties in the area.

4. 4. If a Rent Assessment Committee is able to make a determination, then under Section 22(1) of the Act then the determination of the rent will be based upon the Committee's opinion as to what the landlord might reasonably be expected to obtain under the terms of the assured Shorthold Tenancy.

5. A copy of the Assured Shorthold Tenancy Agreement dated 7<sup>th</sup> November 2002 between Eagle Star Life Assurance Company limited (the lessor) and M J and M E Wild (the lessees) was available to the Committee. The agreement was for a period of six months from 1<sup>st</sup> October 2002 and expiring on 31<sup>st</sup> March 2003. Amongst other terms in the Agreement the tenant is obliged to keep the interior of the premises and all fixtures and fittings therein in good repair decoration and condition.

## **INSPECTION**

6. We inspected the property on 29<sup>th</sup> January 2003 in the company of the Mrs Wild. The subject property is an end-terrace house, situated in a rural location. The house dates from the late 1800's and is of a brick construction with a slate roof. The accommodation comprises a living room, kitchen, utility lobby and bathroom on the ground floor and three bedrooms on the first floor. There are central heating radiators but the tenant indicated that this system was not working. The tenant has replaced the original solid fuel burner, which we understand from the landlord was operational, with a second hand oil fired boiler. The kitchen and bathroom are fairly basic, although we understand that the tenant has installed second hand kitchen units under the previous tenancy.

7. Externally the property has a garage and off street parking for three to four cars. There are gardens to the front and rear of the property. The house has open rural views and is located on a quiet road.

## **HEARING AND REPRESENTATIONS**

8. The tenants indicated that they wished to have a formal hearing and the hearing took place on the 29<sup>th</sup> January 2003 at Whitchurch Town Hall. The tenants did not attend the hearing; Mr Wordsworth of Messrs Cluttons, the agents acting for the landlord, attended the hearing on behalf of the landlord.

**Tenant's Case:**

9. In their written representations the tenants expressed the view that the rent was too high for the size of the house and for the improvements that the tenant has carried out to the property.

**Landlord's case:**

10. Mr Wordsworth provided us with a brief history of the property together with a summary of the nature of the Assured Shorthold Tenancy. The landlord has a portfolio of approximately 73 houses in the area north of Winchester and the Whitchurch area. It was suggested that the current rent on the subject property is in fact below the full market rent, as the landlord's policy was to reduce any void letting periods. Mr Wordsworth then provided details of a number of lettings in the vicinity.

11. Number 6 New Barn Farm Cottages is let as an Assured Shorthold Tenancy at £585 per calendar month and this rent was fixed in December 2002. Number six is an inner terrace house with no immediate car parking. The house has similar facilities as the subject property except that there is oil fired central heating. The landlords obtained a rent of £600 per calendar month for 5 New Barn Farm Cottages. This is an end-terrace house, again with the same facilities as Number 7, but with the benefit of oil fired central heating.

12. 2 Manor Farm Cottages, which is located on the outskirts of Whitchurch, is currently let at £800 per calendar month. This is a larger property with four bedrooms but there is no off road parking.

13. Mr Wordsworth produced a market report showing that the average rental levels of three bedroom houses in the Greater Basingstoke area is in the range of £651 - £800 per calendar month.

14. In Sutton Scotney three bedroom houses are currently letting for £750-£800 per calendar month, but these are usually centrally heated with a good standard of kitchen and bathroom fittings. Generally there are no white goods or curtains provided; although carpets are usually fitted when a property is being upgraded.

15. With respect to the tenant's installation of an oil fired central heating boiler, it was suggested by Mr Wordsworth that the previous solid fuel boiler was operational and therefore the work carried out by the tenant was not an improvement to the house.

## CONSIDERATION

16. We first need to determine that there are a sufficient number of similar dwellings let on assured tenancies in the locality of 7 New Barn Farm Cottages in order that we can proceed. Whilst the tenant has not provided us with any information of properties in the area, the landlord's agent gave us details of several lettings in very close proximity to the subject property and of houses within a reasonable distance. In addition our own knowledge of the area allows us to find that there are sufficient number of properties let out on an Assured Tenancies to satisfy the first criteria.

17. Now turning to the question as to whether the rent of £600 per calendar month is significantly higher than the rent a landlord might reasonably be expected to be able to obtain having regard to the level of rents of comparable properties in the vicinity. Having regard to the comparable evidence produced by Mr Wordsworth and again considering our own knowledge of the market, we are satisfied that given the condition of the subject property in comparison to other properties let on an Assured Tenancy basis, that the rent is not significantly higher than you would normally expect for a house of this nature.

18. As we are unable to satisfy the two criteria set out in Section 22(3) of the Act, then the Committee is prohibited from making a determination of the rent. Accordingly the rent of £600 per calendar month must remain in place.

Chairman:



Date:

10/2/03