

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

2 Reynold's Place Cottages,
Lombard Street,
Horton Kirby, Dartford,
Kent DA4 9DE

The Committee members were

Mrs H Bowers MRICS
Mr M Marshall FRICS

1. Background

On 8th August 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 £130 per week with effect from 12th September 2005, is dated 4th August 2005.

The tenancy is a statutory periodic tenancy by succession which arose on the death of the former tenant. The current rent payable is £62 per week.

2. Inspection

The Committee inspected the property on 29th September 2005 and found it to be in fair condition.

The subject property is a semi-detached house of rendered brick and tile hung construction, with a tiled roof, dating from the nineteenth century. The accommodation comprises two reception rooms, kitchen and bathroom on the ground floor; three bedrooms on the first floor, with the third bedroom accessed from the second. There is an outside WC. There is no garage or off street parking available.

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 property at which oral representations were made by the landlord and the tenant.

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 evidence supplied by the parties and the members' own general knowledge of market rent levels in the area of Horton Kirby and the rural area around Dartford and concluded that an appropriate market rent for the property in good order would be £650 per calendar month.

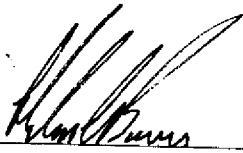
However, this property is not in the condition that would normally be expected at this level of rent. Therefore the Committee has determined a rent of £422.50 per calendar month to reflect the current condition of the property. This sum equates to £97.50 per week.

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 £97.50 per week.

This rent will take effect from 12th September 2005 being the date specified by the landlord in the notice of increase.

Chairman



Dated

29/9/05

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 29th September 2005

Rent Assessment Committee

Mrs H C Bowers MRICS (Chairman)

Mr M Marshall FRICS

Case No.: CHI/29UK/MNR/2005/0114
Re: 2, Reynolds Place Cottages, Lombard Street,
Horton Kirby, DA4 9DE.
Landlord: Mr and Mrs Hayes
Tenant: Mr P Lawson

Introduction

1. The Committee considered an application made by the tenant, Mr Lawson, referring a notice proposing a new rent under an Assured Periodic Tenancy. The landlord's agent had served a notice, dated 4th August 2005, proposing that the rent for 2 Reynolds Place Cottages (the subject property) was to increase from £62 per week to £130 per week with effect from 12th September 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 12th September 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. Mr Lawson had succeeded on an Assured Periodic Tenancy following the death of his mother. We were not provided with a copy of the tenancy.

Inspection

6. We made our inspection on 29th September 2005. The subject property is a semi-detached house and is of rendered and tile hung construction under a tiled roof. The house would appear to date from the nineteenth century. The accommodation comprises two reception rooms, kitchen and bathroom on the ground floor, with three bedrooms on the first floor. Access to the third bedroom is through the second bedroom. There is a lean-to construction that was previously erected by the former tenant. The landlord has carried out some refurbishment to the property including double-glazing. However, the property has no central heating and the kitchen and bathroom are fairly basic, with access to the bathroom directly from the kitchen.
7. There are reasonable sized gardens around the property. The house is situated in a rural location and benefits from open views. There is no garage and off street parking is restricted.

Representations and Hearing

8. A hearing was held at the property; in attendance was Mr Lawson and Mr Hayes. We had previously received written representations from both parties and these had been copied to the other party. It was explained to the parties that any tenant's improvements that had been carried out to the property prior to Mr Lawson's tenancy had now reverted to the landlord.

Tenant's Case

9. Mr Lawson indicated that a number of improvements had been carried out to the property by his family. The property was in a fairly condition with no central heating and hot water from an immersion heater. The comparables produced on the behalf of Mr Hayes had the benefit of central heating.

Landlord's Case

10. There had been some renovations carried out to the property by the landlord. We were provided with the details of three comparables in Horton Kirby. One terraced cottage in Russell Terrace with two bedrooms and off street parking was let on £675 per calendar month. A three bedroom cottage in Carleton Place with off street parking is let at £700 per calendar month. Also situated in Russell Terrace is a two bedroom cottage but with no parking and is let at £475 per calendar 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 comparable information by the landlord's agents. The rental range suggested in the comparables is between £475 to £700 per calendar month. In addition to the information provided by the landlord and using our own collective knowledge and experience of the local rental market, we were of the opinion that the open market rent for this three bedroom property would be £650 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. 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 carpets, curtains and white goods are provided and therefore a reduction in the rent of £65 per calendar month is necessary to reflect the lack of these items.
14. There is no central heating to this property. This is an amenity that would be expected for a property of this nature. Therefore we have adjusted the rent by £65 per calendar month to reflect this lack of amenity. Whilst this is a three bedroom cottage, access to the third bedroom is awkward and the situation of the bathroom directly from the kitchen is not ideal. An adjustment of £32.50 per calendar month has been made to reflect problems associated with the layout of

the cottage. Finally, the kitchen and bathroom are not to the standard one would normally associate with a property with this rental level. We have made a further rental adjustment of £65 to reflect the un-refurbished condition of the kitchen and bathroom.


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

		£
Open Market Rent:		650
Less allowances for:		
Lack of Carpets, Curtains and White Goods	65	
Lack of Central Heating	65	
Layout	32.50	
Kitchen/Bathroom	<u>65</u>	
	227.50	
		<u>227.50</u>
		422.50
	Net Rent	£422.50 pcm

16. We therefore determine a rent of £422.50 per calendar month and this equates to £97.50 per week. The rent is effective from 12th September 2005 the date given in the landlord's notice.

Chairman

Date:-


10/11/05