

**Rent Assessment Committee: Summary reasons for decision.**

**Housing Act 1988**

**Address of Premises**

56 Bath Road  
Atworth  
Melksham  
Wiltshire  
SN12 8JY

**The Committee members were**

Mr. J.S. McAllister F.R.I.C.S. [Chairman]  
Mr. A.P. Osborn  
Mr. J. Mills

**1. Background**

On the 18<sup>th</sup> August 2003 the tenant of the above property Mrs. K. Townley 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 proposed a rent of £525.00 per calendar month with effect from 1<sup>st</sup> September 2003 and was dated 31<sup>st</sup> July 2003

The tenancy commenced in 1993 for an unspecified term. The tenant remains in occupation as a statutory periodic tenant. The current rent is £425 per calendar month. There is no written tenancy agreement.

**2. Inspection**

The Committee inspected the property on the 26<sup>th</sup> September 2003 and found it to be in reasonable condition for its age and character being a Listed Building

Briefly the property is a period mid terrace cottage with a living room, kitchen, two bedrooms, bathroom, store and large rear garden.

In the past the tenant had made certain improvements to the property.

**3 Evidence**

The committee received written representations from both the landlords Miss S. Clark and Messrs. S. and R. Clark and the tenant and these were copied to the parties.

After the inspection a hearing was held at Melksham on the 26<sup>th</sup> September 2003 at which oral representations were made by the landlords and tenant.

#### 4. The Law

In accordance with the terms of Section 14 of the 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.

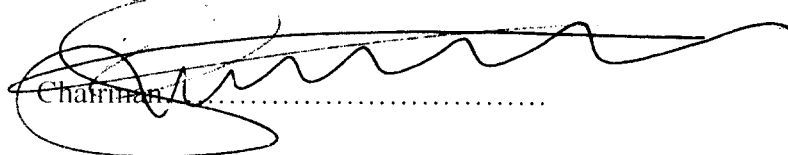
In so doing the Committee as required by Section 14 ignored the effect on the rental value of the property the tenants improvements as defined in Section 14 of that Act.

#### 5. The Decision

In coming to its decision the Committee had regard to the evidence supplied by the parties and the members own knowledge of market rent levels in the general area and concluded that an appropriate open market rent for the property would be £500 per calendar month.

However the property is not in the usual condition for a modern letting at an open market rent. Therefore it was necessary to adjust that market rent to allow for the difference between the condition considered usual for such a letting and the condition etc. of the actual property as observed by the Committee. The Committee considered that the rent should be adjusted by deductions for the following matters, lack of central heating, lack of fitted carpets, curtains and certain white goods, and the tenants internal decorating responsibility. In total therefore the Committee made a deduction of £75 per calendar month. This resulted in a reasonable open market rent for the property of £425 per calendar month.

This rent will take effect from the 1<sup>st</sup> September 2003 being the date specified by the landlord in the notice of increase and the Committee being satisfied that no undue hardship would be caused to the tenant.

  
Chairman.....

Dated... 22<sup>nd</sup> OCTOBER 2003

This document contain 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

**Rent Assessment Committee:            Full reasons for decision.**

**Housing Act 1988**

**Address of Premises**

56 Bath Road  
Atworth  
Melksham  
SN12 8JY

**The Committee members were**

Mr J S McAllister FRICS  
Mr A P Osborn  
Mr J Mills

**1. Background**

On 18<sup>th</sup> August 2003 the tenant of the above property, Mrs K Townley, 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 proposed a rent of £525.00 per calendar month with effect from 1<sup>st</sup> September 2003, and was dated 31<sup>st</sup> July 2003.

The tenancy commenced in 1993 for an unspecified term. The tenant remains in occupation as a statutory periodic tenant. The current rent is £425.00 per calendar month. There is no written tenancy.

**2. Inspection**

The Committee inspected the property on 26<sup>th</sup> September 2003 and found it to be in reasonable condition for its age and character being a Listed Building. Briefly the property is a period mid terrace cottage with a living room, kitchen, two bedrooms, bathroom, store and large rear garden.

In the past, the tenant had made certain improvements to the property.

The inspection was conducted in the presence of Mrs Townley, the tenant only, as she did not want the landlords to be present.

### **3. Evidence**

The committee received written representations from both the landlords, Miss S Clark and Messrs S & R Clark and the tenant and these were copied to the parties

### **4. Hearing**

After the inspection a Hearing was held at Melksham on the 26<sup>th</sup> September 2003, at which oral representations were made by the landlords and tenant.

The relevant parts of the oral evidence by Mrs Townley in relation to the open market rent were as follows.

That the property had no central heating, that it was cold and damp in places. She also referred to the fact that the wood burning stove did not work properly, and that she had carried out repairs and improvements since the beginning of her tenancy, which she stated to be February 1993. She thought that the rate of the increase sought by the landlords was excessive.

She referred to the lack of floor covering in the bathroom.

Mrs Townley did not produce any comparable evidence as such, but when asked as to her opinion of the open market rental value, she indicated that in her view, £425.00 per calendar month was more than sufficient.

Miss S Clark gave evidence on behalf of the landlords, and she also presented to the Committee at the Hearing, a copy of her letter to the tenant, Mrs Townley, dated 26<sup>th</sup> September 2003. Briefly this letter referred to the reasons why the wall lights and shower had been disconnected, the operation of smoke detectors and informing Mrs

Townley that a contractor would be dealing with the installation of some new window frames in the future. The landlords' letter also asked the tenant to keep them informed of any other outstanding repairs.

Miss Clark firstly outlined to the Committee the background concerning the current landlords' inheritance of the property, and she confirmed that there was no written tenancy agreement, which did not help either parties.

She referred to having encountered problems with the landlords' attempts to inspect the property with regard to repairs etc.

With regard to carpets and internal decorations, the landlords thought that that was the tenant's responsibility, and Miss Clark also referred to the fact that the property was a Listed Building. They stated that they now accept responsibility for internal repairs.

Miss Clark also indicated the landlords' wish to regularly maintain the property in the future, and she indicated that the rent needed to be updated to enable the landlords to carry out their repairing obligations on a regular basis.

She indicated that the landlords paid £30.00 per annum for a car parking space for the property in the adjoining village hall car park.

She indicated that in the past, the rent had been agreed direct between the parties, and that as they were unable to inspect the property internally, they felt that the matter would be resolved by the tenant's application to the Committee.

As far as comparable evidence was concerned, Miss Clark referred to the written representations that the landlords had made, which were essentially lists from various letting agents as to available properties in the general area. She told the Committee that she had also spoken to several letting agencies and also the Rent Officer Service. Apparently the latter had given her a bracket of rental value between £425.00 per calendar month up to nearly £600.00 per calendar month. Miss Clark informed the Committee that the landlords did not actually obtain a rental valuation of the property

from any letting agents, and that their proposed rent of £525.00 per calendar was a result of the various investigations they had carried out.

Following a question from the Committee, Miss Clark indicated that the landlords had spent about £1642.65 including VAT on various repair works carried out recently.

At the end of the Hearing, the Committee then carefully considered all the evidence etc and made their decision (see 6 below).

## **5. The Law**

In accordance with the terms of Section 14 of the 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, ignored the effect on the rental value of the property and the tenant's improvements as defined in Section 14 of that Act.

## **6. The Decision**

Firstly the Committee considered the information provided by the landlords. As indicated above, the landlords provided copies of a considerable number of letting agents available lists (asking rents) from agents having properties in the nearby towns of Trowbridge, Bradford-on-Avon, Devizes etc. In virtually each case, the list provided was the complete number of properties available by each agent showing a considerable range of properties and asking rents. The Committee did notice one property in the same village, ie. a three/four bedroomed detached unfurnished house in Bath Road, Atworth, with an asking rent of £750.00 per calendar month. As far as other mid terraced properties were concerned, the Committee noted asking rents generally in the range of £450.00 to £540.00 per calendar month. The Committee did notice a property in Wyatt Road, Devizes, which was possibly the most similar

comparable to the subject property, being a two bedroomed mid terraced Grade 2 Listed town house, where the asking rent was £450.00 per calendar month. The Committee also noticed that the property had gas central heating and an allocated parking space.

The also took careful note of the written representations made by Mr S Clark on the 21<sup>st</sup> August 2003. Here Mr Clark stated that having spoken to several letting agents, he was advised that similar terraced properties in the Melksham/Corsham area are usually marketed at between £500.00 and £550.00 per calendar month, and that there is a shortage of properties at present. He also referred to an advertisement in the local garage in Atworth, advertising a one bedroomed cottage at £550.00 per calendar month.

After carefully considering all the evidence and the information supplied to it, the Committee firstly concluded that the appropriate open market rent for the property would be £500.00 per calendar month. This figure ignored the tenant's improvements as indicated by Mrs Townley in her application form received on the 18<sup>th</sup> August 2003. In arriving at this opinion, the Committee also applied their own knowledge of market rent levels in the area. This rental value was the committee's opinion on the assumption that the property would be let under an Assured Shorthold Tenancy, so it was, therefore necessary to adjust this rent to allow for the differences between the Tenancy of the subject property and such Assured Shorthold lettings.

Firstly the Committee considered the condition of the property as far as the landlords' responsibilities were concerned, and they felt that it was proper to make an adjustment to the above market rent to allow for the difference between the condition of the properties concerned normal for such Assured Shorthold lettings, and the condition of the subject property as seen.

The Committee made a deduction for the lack of central heating to the property. They also made a deduction for the lack of floor coverings, curtains and cooker, which are normally provided in Assured Shorthold Tenancies. They also made a deduction for the fact that in assured Shorthold Tenancy lettings, the landlords are responsible for internal decoration in virtually all cases.

Accordingly the Committee deducted a total of £75.00 per calendar month to cover the above items, ie to fairly reflect the difference between the terms and conditions of modern Shorthold rental values and the rental value of the subject property.

In conclusion the Committee assessed the reasonable open market rent for the property in the sum of £425.00 per calendar month, exclusive of council tax and rates. This rent to take effect from the 1<sup>st</sup> September 2003, being the date specified by the landlords in the notice of increase, and the Committee being satisfied that no undue hardship would be caused to the tenant.

Chairman   
Mr J S McAllister FRICS

Dated 15<sup>TH</sup> Dec 2003