

**Rent Assessment Committee: Reasons for decision.  
Housing Act 1988 Section 13(4)**

**Address of Premises**

45 Noreuil Road Petersfield Hants GU32 3BG
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**The Committee members were**

Mr M R Horton FRICS (Chairman) Mr P Turner-Powell FRICS
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**1. Background**

On 26<sup>th</sup> January 2006 Mr D Adlam the tenant, by succession, of the above property, referred a notice served by the Landlord, A E & L Filer, proposing a new rent under an assured periodic tenancy to a Rent Assessment Committee under the provisions of the Housing Act 1988 section 13(4) (The Act).

The rent proposed in the notice is £150.00 per week to take effect from 1st March 2006.

The rent currently paid for the property is £125.00 per week, a rent determined by a Rent Assessment Committee on 4th December 2003. The rent was effective from 1<sup>st</sup> November 2003.

Neither party requested a Hearing but a written representation was received from Mr A Filer and the Tenant enquired if his being 65 in May makes a difference.

**2. The Statutory Provisions**

It may be helpful if we describe the legal background to the function we have to perform where a valid application has been made to a Rent Assessment Committee under section 13(4) of the Act.

The Committee have to determine the rent payable in accordance with the provisions set out in section 14 of the Act and while we do not set out the full extent of this section we set out in full subsection (1)(a) to (c).

*Housing Act 1988 section 14 (1)*

***Determination of rent by a rent assessment committee***

- (1) Where, under section (4)(a) of section 13 above, a tenant refers to a rent assessment committee a notice under subsection (2) of that section the committee shall determine the rent at which, subject to subsections (2) and*

*(4) below, the committee consider the dwelling-house concerned might reasonably be expected to let in the open market by a willing landlord under an assured tenancy –*

- (a) which is a periodic tenancy having the same periods as those of the tenancy to which the notice relates*
- (b) which begins at the beginning of the new period specified in the notice;*
- (c) the terms of which (other than those relating to the amount of rent) are the same as those of the tenancy to which the notice relates; and*
- (d) .....*

The committee are only allowed to discount the rent for improvements which have been carried out by the tenant **since** he succeeded to the tenancy and they have to disregard any effect on the rent attributable to the granting of a tenancy to a sitting tenant and any reduction in the value due to the failure by the tenant to comply with the terms of the tenancy.

It should be appreciated the Housing Act 1988 contains other provisions which the Committee have to take into account, e.g. the validity of the application, while legal precedents, where appropriate, also have to be considered but, in this case, the above appeared to the Committee to be the main areas affecting their determination.

### **3. Inspection**

A duly appointed Committee inspected the property, in the presence of the tenant on 23<sup>rd</sup> February 2006.

The property comprises a two storey semi-detached house of traditional construction with brick and rendered elevations under a slated roof.

The Committee recorded the house as being in fair condition but it was suffering from a considerable degree of obsolescence with somewhat dated and basic kitchen and bathroom, surface wiring, severe plaster cracking, generally poor windows, deteriorating paintwork, inadequate fencing and general obsolescence.

In particular the Committee noted the very small size of the bathroom and kitchen.

Hot water and central heating are provided by a gas-fired boiler. Radiators are fitted in all rooms except the kitchen. The property is let unfurnished.

There were no significant Tenant's improvements

Accommodation comprises: Ground Floor entrance hall, 2 living rooms, kitchen and bathroom. First Floor 3 bedrooms There is no off road parking but the rear garden is of reasonable size for the house.

#### **4. The Representations.**

The Tenant questioned whether his age was a significant factor in assessing the rent.

The Landlord submitted that over £2000 had recently been spent on the boiler together with a letter from Jacobs & Hunt Management Services Ltd giving details of two assured shorthold tenancy properties in Rushes Road and one in Penns Road.

One of the properties in Rushes Road had three bedrooms and the other two. They were not identified by the house numbers and the rents were recorded as being £750 and £725 pcm respectively.

The property in Penns Road, again not identified, was recorded as having a rent of £695 pcm.

#### **5. The Consideration**

In respect of the question raised by the Tenant the Committee have to disregard any personal circumstances which may relate to any of the parties.

Unfortunately the information provided by the Landlord regarding possible comparable properties was insufficient to provide the committee with any meaningful assistance.

In particular the failure to identify the actual properties, the date of the lettings, the condition of the properties, the terms of the tenancies and extent of any furnishings were significant omissions from the representation.

The Committee felt justified, on the limited evidence put forward, in relying on their own knowledge and experience of rental levels in this locality.

The Committee first considered the rent at which a property of this type might reasonably be expected to let on an assured shorthold tenancy, there being virtually no evidence of lettings on an assured basis.

They concluded the optimum rental value would be in the region of £700.00 per calendar month.

However, on this basis they would expect to find a fully modernised centrally heated house with a larger kitchen, well fitted kitchen and bathroom, up to date installations and minimum furnishings comprising carpets, curtains and a cooker.

Due to an assured shorthold letting usually being for a period of six to twelve months a landlord normally accepts responsibility for internal decorations on a fair wear and tear basis.

It is also the experience of the Committee that in a letting market with an increasing availability and selection of property available prospective tenants are becoming more discerning as to the quality and amenities of the property offered. In short they can be more selective with a consequent effect on the rental value of the less well appointed property, very much the situation with the subject house.

All these matters require factoring into the rent in this case.

The committee arrived at the following valuation:

Base rent per calendar month £700.00 or, per week, say	£160.00
<u>Less adjustments, per week</u>	
No basic furnishings	8.00 pw
Tenants responsibility for internal decorations	8.00 pw
Basic kitchen & bathroom	10.00 pw
Other obsolescence and disrepair	<u>10.00 pw</u> 36.00
<b>Adjusted rent</b>	<b>£124.00 p.w.</b>
<b>But say</b>	<b><u>£125.00 p.w</u></b>


The adjustments reflect the perceived value attributable to their rental value and do not necessarily relate to their remedial cost.

The Committee duly note that their valuation produces no rental increase but consider this to be largely due to the factor outlined above. i.e. The more discerning approach that a prospective tenant can take in a market of increased availability

## 6. Decision

The Committee determine the rent of 45 Noreuil Road, Petersfield, Hants at £125.00 per week.

This rent will take effect from 1st March 2006 being the date in the Landlord's notice.

Signed:  Michael R Horton FRICS (Chairman)

Date: 23 February 2006

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