

**Notice of the Rent Assessment Committee Decision and
Register of Rents under Assured Periodic Tenancies
(Section 14 Determination)**

Housing Act 1988 Section 14

Address of Premises

BUMBLE COTTAGE, PATSHULL ROAD,
WOLVERHAMPTON, WEST MIDLANDS,
WV7 3BH

The Committee members were

Mr Jon Woolf
~~Mr Stephen Berg~~ FRICS FSA *Mr R. Loupe*
~~Mrs Carol Smith~~ *Mr. D. Underhill*
Wood

**Landlord
Address**

Mrs A Griffiths
The Old Farm, Country Lane, Albrighton, Wolverhampton, WV7 3AS, West
Midlands

Tenant

Ms B Welsman

1. The rent is:

*300 per
350*

Per

*calendar
month*

(excluding water rates but including council tax
of £ — and any amounts in paras 3&4)

2. The date the decision takes effect is:

1 March 2003

***3. The amount included for services is/is
negligible/not applicable**

n/a.

Per

4. Service charges are variable and are not included*5. Date assured tenancy commenced**

1 Jan 1983

6. Length of the term or rental period

1 calendar month

7. Allocation of liability for repairs

*sl 1985
Landlord and Tenant Act*

8. Furniture provided by landlord or superior landlord

none

9. Description of premises

semi-detached cottage in rural location

Chairman

Mr Jon Woolf

Date of Decision

25/3/03

CASE NO: BIR/39UB/MNR/2003/3

RESIDENTIAL PROPERTY TRIBUNAL SERVICE

MIDLAND RENT ASSESSMENT PANEL

**EXTENDED REASONS FOR THE DECISION OF THE RENT ASSESSMENT
COMMITTEE**

BUMBLE COTTAGE 2 PATSHALL ROAD ALBRIGHTON WV7 3BH

1 BACKGROUND

This case concerns a referral by Miss Welsman, the tenant, for a determination of rent following the service upon her of a notice increasing the rent from £130 per calendar month to £550 per calendar month from 1 March 2003 by the landlord Mrs Griffiths. On 25 March 2003 the Committee inspected the property with Miss Welsman present. Subsequently on the same day a hearing was held. Both Miss Welsman and Mrs Griffiths attended the hearing. The parties also both submitted written evidence. The Committee determined the rent pursuant to Section 14 Housing Act 1988.

2 THE DECISION

The Committee determined the rent at £300 per calendar month with effect from 1 March 2003.

3 INSPECTION

The Committee inspected the property on 25 March 2003.

The property comprises:

A Victorian semi-detached cottage let unfurnished in a rural location on the edge of the village of Albrighton. It is constructed of solid brick with two stories under a tiled

roof. The condition of the roof is good but external decoration is required. There is a large kitchen garden to the left, which includes a septic tank.

The accommodation comprises:

On the ground floor – a lobby, living room, breakfast kitchen (with range of fitted units) and toilet off the kitchen.

On the first floor – two bedrooms and a bathroom with toilet and full suite

Central heating throughout.

The property is located in a pleasant rural environment on the edge of the village of Albrighton, which has public amenities.

The present tenancy is an assured statutory periodic tenancy (“the present tenancy”) which arose on 1 January 2003 the day after the previous tenancy a fixed term tenancy came to an end. The fixed term tenancy (“the previous tenancy”) was granted for ten years from 1 January 1993.

The previous tenancy was granted to Miss Welsman by the late Mr Robinson. It was an assured fixed term tenancy for a term of ten years. Miss Welsman agreed in the tenancy agreement the following amongst other things:

“Not to alter or add to the Property nor allow anyone else to do so” Clause 2.12

The Agreement is silent on the issue of repairing obligations. The fixed term is more than seven years and the property was let unfurnished accordingly neither the implied landlord’s repairing covenant pursuant to Section 11 Landlord and Tenant Act 1985 nor landlord’s covenant implied by common law to ensure that a property let furnished is fit for human habitation applied to the previous tenancy.

4 THE LAW

When determining a rent in accordance with Section 14 Housing Act 1988 the Committee shall determine the rent at which it considers the dwelling-house might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy which is a periodic tenancy having the same periods as those of the tenancy to which the notice of increase of rent relates, which begins at the beginning of the new period specified in that notice, and which the terms of which (other than relating to the amount of rent) are the same as those of the tenancy to which the notice relates.

In making a determination Section 14(2) Housing Act 1988 provides amongst other things that the Committee shall disregard:

Any effect on the rent attributable to the granting of a tenancy to a sitting tenant.

Any increase in the value of the dwelling-house attributable to a relevant improvement carried out by a person who at the time it was carried out was the tenant, if the improvement was carried out otherwise than in pursuance of an obligation to his or her immediate landlord.

Any reduction in the value of the dwelling house attributable to a failure by the tenant to comply with any terms of the tenancy.

Section 14(3) Housing Act 1988 provides that an improvement is a relevant improvement if either it was carried out during the tenancy to which the notice relates, or the following conditions are satisfied:

the improvement was carried out not more than twenty-one years before, and

at all times during the period beginning when the improvement was carried out and ending on the date of service of the notice increasing the rent the dwelling-house was let under an assured tenancy, and on the coming to an end of an assured tenancy the tenant did not quit.

5 EVIDENCE AND SUBMISSIONS

The hearing was held on 25 March 2003 at which both written and oral representations were made by the tenant, Miss Welsman, and the landlord, Mrs Griffiths

Market Rent

Miss Welsman provided a Report prepared by Mr R Hall FRICS of Doolittle and Dalley dated 21 March 2003. The Report stated it was Mr Hall's opinion that the current open market rental value taking into account the improvements as it appears to day is £400 per calendar month. He stated he had based his opinion on similar semi-detached rural cottages Doolittle and Dalley had let in Shropshire over the past 12 months. Miss Welsman did provide copies of recent lettings advertisements from Doolittle and Dalley. One of which was Bishton Cottages Patshall Lane Albrighton. Bishton Cottage is a semidetached cottage situated one and half miles from the village of Albrighton. It has 3 bedrooms and 2 reception rooms. It was advertised for let at £450 per calendar month. Miss Welsman explained that this property was significantly larger than her own which only had 2 bedrooms and 1 reception room. Mrs Griffiths did not provide any expert evidence, but relied on her experience as a Landlord. She provided estate agents publicity for lettings of The Old School House, Bonningale, and 5 Wolverley Court, Albrighton.

Mrs Griffiths explained that whilst she accepted that Bishton Cottage was larger it was in her view significantly further away from the village. Whereas Bumble Cottage was in her view 0.6 of a mile away from the village Bishton Cottage was one and a half miles away from those amenities. She explained that she let several properties in the village. The village had a predominantly elderly population who preferred accommodation which was within walking distance of the amenities in the village. In her experience the closer the proximity to the centre of the village the more rent a property could be let for. Bumble Cottage was within walking distance whereas Bishton Cottage was not. She therefore considered the monthly rent of £550 for Bumble Cottage was justified. Its proximity to the centre of the village accounted for the rent being significantly higher than for Bishton Cottage.

Mrs Griffiths told the Committee that she and her husband had recently refurbished The Old School House Nr Albrighton which she owned. This property had been re-let recently unfurnished to the existing tenants who had an assured shorthold tenancy for £575 per calendar month. This Victorian property in a rural location she said was similar to Bumble Cottage. It was a 2 bedroomed modernised cottage with a refitted kitchen, sitting room, cloakroom and a refitted bathroom.

Mrs Griffiths told the Committee that she considered 5 Wolverley Court Albrighton to be comparable to Bumble Cottage. This property is a modern terraced house in the centre of the village. It is advertised by Tina Dent estate Agents for £550 per calendar month. It has a kitchen, lounge cloakroom, 3 bedrooms and a bathroom.

Tenant's Improvements

Miss Welsman told the Committee that when the tenancy started the property was in severe disrepair and required extensive modernisation. The then landlord Mr Robertson had given her permission to carry out work to the property. She had moved into the property at the start of the tenancy but conditions there had been so bad that she had had to live in a tent in the garden and on occasions when it was cold had had to stay overnight with her parents. From the start of the property had always been her home. She carried out or had carried out substantial works from about August 1993 to 1994. Some of these works were paid for by Miss Welsman's own funds, others had been paid for by a renovation grant made to her by the local authority. The works which were carried out and paid for by the grant were: re-roofing, re-pointing chimney, overhauling of rainwater goods, re-felt the flat roof, replacement of perished bricks, new damp proof course, renewal of windows, floors and ceilings, re-wiring throughout, replacement of the kitchen sink. The works she had paid for herself were substantial works to the kitchen including installation of french windows and other doorways, installation of new kitchen units, the installation of central heating throughout, refurbishment and modernisation of the bathroom. Mr Hall, in his Report, gave an opinion that if the value of the improvements were disregarded the open market rental value of the property would be £250 per calendar month as against £400 per calendar month if the improvements were not disregarded.

Mrs Griffiths did not dispute that the work had actually been carried out. She gave no evidence as to the amount of the monthly rent that should be disregarded. She did tell the Committee that in her opinion the local authority ought not to have provided the grant to a tenant, but should have provided it to the landlord, though she accepted that

Miss Welsman had in fact been made the grant. Mrs Griffiths also drew the attention of the Committee to Clause 2.12 of the fixed term tenancy agreement which provides that the tenant agrees "Not to alter or add to the property nor allow anyone else to do so". She submitted that the works had been carried out by Miss Welsman in breach of Clause 2.12.

6 THE VALUATION

The tenancy was an assured statutory periodic tenancy let on the same terms of the previous tenancy (except for the terms relating to the amount of rent).

Market Rent

The Committee considered the evidence provided in writing and orally by the parties as to comparable open market rents. The Committee decided that the offered rent for 5 Wolverley Court £550 per calendar month was not comparable as that property is a 3 bedroom modern town house in the centre of Albrighton whereas Bumble Cottage is a 2 bedroom Victorian cottage in a semi-rural location. The Committee decided that the offered rent for Bishton Cottage of £450 per calendar month was comparable because Bishton Cottage was a Victorian cottage in a similar location to Bumble Cottage. The Committee decided the difference in distance from the centre of Albrighton between the two properties was not significant in terms of rental value. The Committee found that Bishton Cottage had 3 bedrooms and 2 reception rooms whereas Bumble Cottage only had 2 bedrooms and 1 reception room. Bumble Cottage was a smaller property and might therefore be expected to let for less than Bishton Cottage. The Committee noted that Mr Hall's opinion given in his report was that an open market rent for Bumble Cottage would be £400 per calendar month which

supported this view. The Committee considered The Old School House Bonningale Nr Albrighton. The Old School House is a Victorian 2 bedroom cottage in a semi rural location with 1 reception room. The Committee found that this property had been recently let by Mrs Griffiths for £575 per calendar month and decided it was comparable. However the Committee noted that The Old School House had only recently been refurbished, whilst Bumble Cottage had been modernised and repaired to a satisfactory standard ten years ago and external redecoration was required. The Committee decided that Bumble Cottage would let for substantially less than The Old School House on the basis of its present condition.

The Committee therefore acting as an expert committee taking into account the above mentioned matters and decisions, using their knowledge (but not any special knowledge) judgement and experience in evaluating the evidence presented, concluded that the property would let in the open market at £450 per calendar month.

Tenant's Improvements

The Committee found that Miss Welsman was let a property in 1993 which was in serious disrepair and in need of modernisation. Under the terms of the tenancy agreement the landlord was under no obligations to carry out works and there were no obligations upon the landlord implied by legislation that imposed such obligations. Miss Welsman was under no obligation to the landlord to carry out the works. The works were carried out in 1993 and 1994 whilst she was an assured tenant. The Committee found that Miss Welsman did carry out the works described by her in her written and oral evidence as recorded in these reasons. The Committee found that the works were paid for by Miss Welsman either from her own funds or from funds made

available to her by the local authority by way of grant to her. The Committee decided that the source of the funds was not relevant in deciding whether the works were “relevant improvements”. The Committee decided that the works were improvements because they improved what Miss Welsman had been let: a property in serious disrepair and in need of modernisation. The Committee decided the works were “relevant improvements” for the purposes of Section 14 Housing Act 1988 in that they were carried out within the last 21 years whilst the property was let under an assured tenancy and that Miss Welsman had not quit.

It was submitted by Mrs Griffiths that the tenant was in breach of Clause 2.12 which placed a bar on altering or adding to the property. The Committee concluded that Mr Robinson the then landlord had consented by default to the works being carried out. No evidence was provided of any enforcement action taken by him or any subsequent landlord. In any event the Committee found that the improvements had increased not reduced the value. Accordingly the requirement contained in Section 14(2)(c) Housing Act 1988 that the Committee shall disregard any reduction in value of the dwelling-house attributable to a failure by the tenant to comply with any terms of the tenancy did not apply

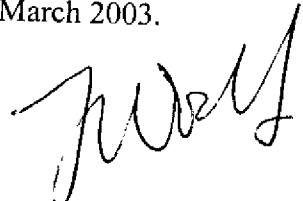
Miss Welsman provided the Report of Mr Hall who gave an opinion that the extent of the disregard from the market rent was £150 on a monthly rent of £450. Mrs Griffiths gave no evidence as to the extent of the disregard.

The Committee acted as an expert committee taking into account the above mentioned matters, using their knowledge (but not any special knowledge) judgement and experience in evaluating the evidence presented, concluded that the extent of the disregard was £150 per calendar month.

Accordingly the Committee determined the rent at £300 per calendar month which is the market rent of £450 per calendar month less the disregarded rent of £150 per calendar month.

7 DATE THE DETERMINATION IS TAKE EFFECT

The Committee considered whether it appeared to them that it would cause the Miss Welsman undue hardship if the rent determined was effective on 1 March 2003. Miss Welsman told the Committee that she was self employed. The Committee considered the short period between 1 March 2003 and the date of the hearing 25 March 2003. The Committee decided that there would be no undue hardship caused to the tenant if the date the determination is to take effect is 1 March 2003.



8/5/03