

Rent Assessment Committee: Summary reasons for decision.

Housing Act 1988

Address of Premises

11 Barkis Close
Rochester
Kent
ME1 2BT

The Committee members were

Mr I Mohabir
Mr R Athow FRICS MIRPM

1. Background

On the 16th September 2004 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 landlords notice, which proposed a rent of £795 per calendar month with effect from 27th October 2004 is dated the 13th September 2004.

The tenancy commenced on 27th August 1997 for a term of 6 months. The tenant remains in occupation is a statutory periodic tenant. The current rent is £495 per calendar month.

2. Inspection

The Committee inspected the property on 1st November 2004 and found it to be in fair condition.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the parties.

A hearing was held at the subject property on 1st November 2004 at which oral representations were made by the tenant. The landlord was not present or represented.

4. The Law

In accordance with the terms of section 14 Housing Act 1998 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 the 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 Maidstone and Medway Towns and concluded that an appropriate market rent for the property would be £620 per month.

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 £620 per month.

This rent will take effect from 1st November 2004 the committee being satisfied that undue hardship would otherwise be caused to the tenant.

Chairman J. Mohan

Dated 1/11/04

IN THE SOUTHERN RENT ASSESSMENT COMMITTEE

CHI/00LC/MNR/2004/0149

PROPERTY:11 BARKIS CLOSE, ROCHESTER, KENT, ME1 2BT

BETWEEN:

MRS M P GATTON

Tenant

-and-

MR P PREVETT

Landlord

THE COMMITTEE'S REASONS

BACKGROUND

1. This is a reference by a tenant, Miss Gatton, of a landlord's notice proposing a new rent for a monthly periodic tenancy. The landlord is Mr Prevett. The property is a three bedroom detached house with a living room, dining room, kitchen and bathroom/wc.
2. The parties entered into an assured shorthold tenancy agreement dated 27 April 2003 commencing on that date for a term of 12 months. Upon expiry of that tenancy agreement there was no renewal of the agreement and so Mrs Gatton holds over on the same terms, as a statutory periodic tenant. The current tenancy

is, therefore, governed by the provisions of the Housing Act 1988 (“the Act”) (as amended). The current rent is £495 per calendar month.

3. By a notice under section 13(2) of the Act 1988 dated 13 September 2003, the landlord proposed that a new rent of £795 per month should be paid from 27 October 2004. It is clear, having regard to the commencement date for the proposed increased rent and references to it in other correspondence between the parties, that the landlord’s notice should have been dated 13 September 2004 and not 13 September 2003. However, this error does not invalidate the notice.
4. By a section 13(4) application dated 16 September 2004, Mrs Gatton referred the notice to the Committee. She also requested a hearing, which was listed on 1 November 2004.

INSPECTION

5. The Committee inspected the property on 1 November 2004. The property is a detached two storey house built in the 1970’s of traditional construction. The accommodation comprises on the ground floor: Entrance hall with stairs to first floor, through living room, kitchen with the usual kitchen fitments and the central heating boiler. On the first floor is a landing with doors to 2 double bedrooms and one single bedroom, bathroom with bath, basin & WC. There is a small front garden and a larger one to the rear. There are UPVC double glazed windows to the front only with wood framed windows elsewhere.

The Committee noted that the poor condition of the property with the UPCS units fitting poorly, whilst several of the remaining windows were deteriorating in their condition and close to the end of their useful life. Cracks were noted to the plasterwork around the windows to the front, especially in the lounge. Some of the gutters were blocked. The tenant advised the Committee that the central heating boiler did not work and the landlord had not provided the Statutory Gas Safety Inspection Certificate on an annual basis. The bath panel was broken and the taps did not work properly.

HEARING

6. The hearing took place at the subject property immediately after the Committee had carried out its inspection. Mrs Gatton appeared in person. Mr Prevett did not appear and was not represented.
7. Mrs Gatton told the Committee that Mr Prevett became her landlord in 1997. She provided the Committee with several copies of earlier assured shorthold tenancy agreements entered into between the parties, the earliest of which was dated 27 August 1997 for a term of 6 months. The most recent agreement was the one referred to in paragraph 2 above.
8. Mrs Gatton stated that she had not seen her landlord for seven years and that she had been required to maintain the subject property herself. She believed that he

wanted to sell it. The central heating system had not been working for the previous year and that the double glazed windows installed only to the front of the property were poorly fitted. She confirmed that she was in receipt of Housing Benefit, which effectively paid the rent. When invited to express an opinion as to what she believed the correct market rent was for the subject property, she stated that it was £595 per month in it's current condition.

9. Before the Committee were written representation from Mr Prevett in a letter dated 10 October 2004. He stated that he had not increased the rent from £495 per month since 1997, when he became Mrs Gatton's landlord. He asserted that the current rent was well below the market value and that a monthly rent of £795 was more appropriate. His proposed figure for the market rent was based on the rents being charged for various surrounding properties and enclosed copies of advertisements by letting agents of the rents being demanded for comparable properties in the range of £850-950 per calendar month. Mr Prevett also included details of other smaller properties, by way of example, where rents in the range of £460-575 per calendar month were being demanded. He submitted that in the Rochester area, only a one bedroom flat could be rented for £495 per month. He further stated that he was letting another property in the area for £795 per month, which was not in such a desirable location and was semi-detached. However, Mr Prevett provided no further details about this property apart from this assertion.

DETERMINATION

10. The Committee's determination is made pursuant to section 14(1) of the Act subject to any of the statutory disregards set out under section 14(2). It is not necessary to set out here the detailed provisions of the legislation. Effectively, the Committee must determine what rent that the subject property might reasonably be expected to be let at in the open market by a willing landlord under an assured tenancy.
11. On the issue of the appropriate open market rent, the Committee had to rely on its own expert knowledge and experience in making this determination as the evidence of the parties provided little or no assistance. Mrs Gatton had simply expressed her belief that the appropriate market rent was £595 per month. The comparable evidence relied on by Mr Prevett in support of his submission that the appropriate market rent for the subject property was £795 per month, was based on properties in the Maidstone area. In the view of the Committee these properties were not sufficiently local to the subject property to give a proper indication of the appropriate market rent. Mr Prevett's assertion that he was renting another semi-detached property in the area for £795 per month was unsubstantiated and lacked particularity.
12. The Committee, therefore, determined that the appropriate market rent for the subject property was £700 per calendar month. However, this figure is based on the assumption that the property is completely modernised, fully furnished and

that white goods are provided. Upon inspection, the Committee found the subject property did not have the benefit of a functioning central heating system. The wooden single glazed windows at the rear of the property were in a state of disrepair and that the bathroom suite was basic and dated. The subject property was unfurnished and had no white goods, carpets or curtains provided. The Committee was of the view that these matters should result in a total deduction of £80.00 per week, leaving an adjusted open market rent figure of £620 per calendar month.

13. No submissions were made or evidence submitted in relation to undue hardship on the part of Mrs Gatton. The Committee therefore found that the proviso to section 14 (7) of the Act did not apply. Therefore, the Committee determined that the rent of £620 per calendar month would be payable from 27 October 2004, being the date specified by the Mr Prevett in his notice of increase.

CHAIRMAN..... J. Howarth

DATE..... 11/3/05

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13. The Committee accepted that Mrs Gatton would suffer undue financial hardship if the rent increase was awarded from 27 October 2004, being the date specified by the Mr Prevett in his notice of increase, as she was a woman of limited means. The Committee also had regard to the fact that Mrs Gatton's rent was largely met by Housing Benefit and as this was paid to her at least one month in arrears, it would cause her further financial hardship if the Committee's determination was dated 27 October 2004. The Committee therefore found that the proviso to section 14 (7) of the Act did apply. Therefore, the Committee determined that the rent of £620 per calendar month would be payable from 1 November 2004, being the hearing date.

CHAIRMAN..... J. Mahalan

DATE..... 14/03/05