

EASTERN RENT ASSESSMENT PANEL

Statement of Reasons for the Decision by a Committee of the Panel following an Inspection
carried out on 27th May 2004

Rent Assessment Committee

Mrs H C Bowers BSc(Econ) MRICS (Chairman)

Mr J J Sims LL.M MPhil

Mrs N Bhatti

| | |
|-----------|---|
| Case No.: | CAM/00MD/MNR/2004/0031 |
| Re: | 89 Victoria Court, Blair Road, Slough, Berkshire. |
| Landlord: | North British Housing Association |
| Tenant: | Miss B A Hills and Miss E V Hills |

Introduction

1. The Committee considered an application dated 9th March 2004, made by the tenant, Miss Hills, referring a notice proposing a new rent under an Assured Periodic Tenancy. The landlord, North British Housing Association, had served a notice, dated 25th February 2004, proposing that a rent of £140.88 per calendar month for 89 Victoria Court (the subject property) with effect from 1st April 2004.

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 1st April 2004 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. There was no tenancy agreement made available to the Committee. However, we understand that the tenant has a 75% share in the ownership of the flat and that the rent proposed in the notice relates to a 25% interest.

Inspection

6. We made our inspection on 27th May 2004, in the company of the tenant. The subject property is a second floor flat in a purpose built block. The accommodation comprises one reception room, a kitchen, two bedrooms and a bathroom.

Representations and Hearing

7. Neither party requested a hearing and therefore this matter was dealt with by the means of written representations. Written representations had been received from both parties and these had been copied to the other party.

Consideration

8. 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.
9. We were not provided with any comparable evidence from the parties. Therefore using our own collective knowledge and experience of the local rental market, we were of the opinion that the open market rent for this property would be £675 per calendar month. This rental level would be achieved for a property in "good modern letting condition".
10. 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 £70 per calendar month is necessary to reflect the lack of these items.

11. The flat does not have full central heating. The level of rent we initially adopted would be based on the assumption that the property would have full central heating. Therefore we have made an allowance of £50 to reflect the lack of central heating.
12. There are some outstanding items of disrepair including problems with the windows and balcony area. We have made a reduction of £30 per calendar month to reflect these items.

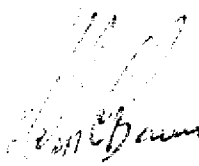
13. We therefore produced the following calculation on a calendar monthly basis:

| | | |
|---|-----------|------------|
| | | £ |
| Open Market Rent: | | 675 |
| Less allowances for: | | |
| Lack of Carpets, Curtains and White Goods | 70 | |
| Lack of Central Heating | 50 | |
| Disrepair | <u>30</u> | |
| | 150 | <u>150</u> |
| | | 525 |

14. From a monthly rent of £525 per we determine a 25% share of £130 per calendar month. This rent is an inclusive of services. The rent is effective from 1st April 2004 the date given in the landlord's notice.

Chairman

Date:-


22/6/04