

Extended reasons for the decision of a Rent Assessment Committee

Premises: 74 Drummond Road, Romford, RM7 7EW

Landlord: London & Quadrant Housing Trust

Tenants: Mr & Mrs G Taylor

Hearing date: 14 July 2003

Members of Committee: Mr P Leighton LLB (Chairman)
Mr T Johnson FRICS
Dr A M Fox BSc PhD MCI Arb

A copy of the decision has already been provided

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File No Lon 030/ 0104/ /03

LONDON RENT ASSESSMENT COMMITTEE

74 DRUMMOND ROAD ROMFORD

EXTENDED REASONS FOR DECISION

The Tenants
Mr and Mrs G Taylor

The Landlord
London and Quadrant Housing Association

Panel Members
P. Leighton LL.B Chairman
T Johnson FRICS
A Fox B.Sc Ph D MCI (Arb)

A Background

On the 7th November 2002 the landlord applied to the rent officer for registration of a fair rent of £ 82 per week for the above property. At the time of the application the rent payable was £73.50 per week

The rent was previously registered on 18th January 2001 with effect from 15th January 2001 at £ 75 per week following a determination by a rent assessment committee.

On 10th February 2003 the rent officer registered a rent of £78 per week with effect from that date

By a letter dated 17th March 2003 the tenants objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee

B Inspection

The Committee inspected the property on 14th July 2003 and found it to be in good external condition. The property was a modern town house situated on three floors and consisting of 3 bedrooms, living room kitchen/ dining room bathroom WC and separate WC. The premises are supplied with central heating, double-glazing and a carport. There is a fairly large walled garden, which had been well kept by the tenants. Mr Taylor pointed out a number of improvements, which he had carried out at the premises, which the committee disregarded for the purposes of setting the rent. The property is set in a large estate consisting of over 140 flats and houses in an area fairly close to the centre of Romford on the old Romford Town football ground. The estate

was about 25 years old. Mr Taylor, who was the present chair of the Tenants' Association, which had been formed, in the last 7 months, had lived on the estate since it had been built.

C Evidence

The Committee received no written representations from either party. An oral hearing took place at 10 Alfred Place London W.C.1 on 14th July 2003 at which representations were made by both parties. Mr Taylor attended with Mrs Worth (of 119 Drummond Road whose rent was also being considered that day). Mr Steel a senior housing manager appeared on behalf of the landlord.

The tenant made a number of complaints mainly about the condition of the estate and the anti social behaviour of a number of tenants. Mr Taylor also complained that there was noise from a nearby sub station and that there was a night club half a mile away which was often a source of nuisance. He said that police councillors and MPs had been to the estate and that the landlords had not improved the situation. He did agree however, that the tenants association and the landlords had agreed for a further development on the ground of 18 new dwellings and facilities for young people costing over £250,000 which was to be obtained from a grant. It was also noted that fencing costing £75,000 was to be placed round the perimeter to improve the security of the site for ground floor properties.

Mr Taylor agreed that the internal condition of the subject property was in good condition but said that this was because he generally looked after it himself. When he asked the landlord to carry out repairs nothing was done. He cited as an example a leak in the jockey tank on the top floor which he had reported to the landlord, but as they had done nothing he engaged a local plumber to repair it. Issues had been raised about the TV aerials and a service charge in respect of this. The landlords conceded that the aerials were not working well and they agreed that no additional charge should be added in respect of this.

When the Committee inspected the estate during the day it was not possible to observe any anti social behaviour at that time but the general condition of the estate did not reflect the sort of "sink estate" conditions often observed in the Inner London and some outer London areas although it accepted that difficulties had been experienced on the estate some of which still persisted. There were no signs, however, of large quantities of rubbish or litter and the area seemed to be reasonably well kept.

D The Law

The committee in accordance with the provisions of Section 70 must have regard to all the circumstances including the age character location and state of repair of the property. It must also disregard the effect of (a) any relevant tenant' improvements and (b) the effect of any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property.

In **Spath Holme Ltd -v- Chairman of the Greater Manchester Rent Assessment Committee (1995) 28HLR 107** and **Curtis -v- London Rent Assessment**

Committee (1999) QB 92 the Court of Appeal emphasised

- (a) that ordinarily a fair rent is the market rent for the property discounted for scarcity (i.e. that element if any , of the market rent , that is attributable to there being a significant shortage of similar properties in the wider locality available for letting on similar terms - other than as to rent - to that of the regulated tenancy) and
- (b) That for the purposes of determining the market rent it is appropriate to consider as comparables assured tenancy market rents adjusted as appropriate to reflect any relevant differences between those comparables and the subject property.

E Reasons for Decision

The committee did not receive any evidence from either party of the level of market rents for town house properties or other comparable properties in the Romford area. Whilst there are certain disadvantages of estates located near town centres, the Committee accepted that there were certain advantages as well. It was well located for bus train and local shopping facilities as well as close situation near the A12 for road travel. . Mr Taylor expressed the view that since the estate in question was social housing it was not really possible to give comparable market rents. Mr Steel expressed the view that the previous market rent assessed by the Committee in 2001 of £145 was about right. . The committee did not agree that it was not possible to assess market rents for social housing properties although it recognised that such rents would be lower perhaps than in areas of non social housing. Using its own knowledge and experience of social housing and of the level of rents in the Romford area the committee concluded that the market rent for the subject property would be £150 per week.

F Adjustment to Market Rent

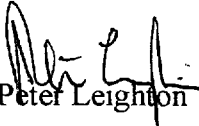
The Committee considered that in order to reflect no white goods in the kitchen, or carpets and curtains supplied by the landlord, and a deduction of approximately 15% should be made from the market rent in the case of the subject property. This would give an adjusted market rent in the sum of £127.25 per week.

G Scarcity

No evidence was adduced by either party on the issue of scarcity save that it was agreed that the landlord had many applicants for its properties in this area and although it did not operate a waiting list, believed that if it did so it would be quite lengthy. The Committee concluded, however, from its own knowledge and experience that there was and is still a scarcity factor over a wide area of London including the North East London area where the subject property is to be found. The committee considered from its own experience and the decisions of other rent assessment committees on properties in this area that the appropriate level of scarcity should be set at 20% so that it arrived at an uncapped fair rental figure for the property of £102 per week.

H Conclusion

Because of the effect of the Rent Act (Maximum Fair Rent Order) 1999 the Committee is obliged to set the rent in accordance with the capping provisions. Applying the formula as set out in the determination and taking account of the time which had elapsed since the rent officer determined the rent at £75 per week, the Committee determined that the rent should be set at £83.50 per week and will register this as the fair rent of the property with effect from 14th July 2003


Peter Leighton

Chairman

21st July 2003