

Rent Assessment Committee

Full Reasons for Decision.

Housing Act 1988

Address of Premises

82 Bushenbury Cottages,
Roothill Lane, Brockham,
Betchworth, Surrey, RH3 7AT

The Committee members were

Mr J B Tarling MCMI
Mr R. A. Potter FRICS
Ms H. Clarke

Parties:

St. Pier Limited – Landlord

Mr Karl Carr-Swann – Tenant

Inspection: 9th November 2006

Decision: 22nd November 2006

1. Background

On 19th September 2006 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 Landlord's Notice, which proposed a rent of £200 per week with effect from 16th October 2006, is dated 11th September 2006. The tenancy originally commenced in 1953. The current Tenant remains in occupation as a statutory periodical tenant having succeeded to the tenancy on 7th August 2006. The current rent is £76.00 per week.

2. Inspection

The Committee inspected the property on 9th November 2006. The property was a brick-built semi-detached cottage with a tiled roof situated in a very rural environment adjacent to open farmland. There were neither local shops nor public transport in the locality. The accommodation comprised a living room, kitchen and pantry on the ground floor and 3 bedrooms on the first floor. At the rear of the building is a single storey outhouse which contained a WC and storeroom which contained a butler's sink. There was no bathroom or shower facility. There was a sink in the kitchen with a cold water tap. There was also a water heater which did not reach the sink, but from which hot water could be obtained. In the living room there was an open fireplace. There was no central heating. Upstairs the two rear bedrooms were divided by a non-structural wall. The property was in a fair state of decoration and repair. There was no gas supply to the property and the drainage was into a cesspit. The electrical supply was quite old and the number of power points was limited. The windows were single-glazed wooden units. Outside there was a large garden and parking space for a car.

3. Representations

The parties had both indicated in writing that they did not wish to have a formal hearing and that they were content for the matter to proceed on the basis of the Committee's inspection and a subsequent determination after consideration of the written representations.

The tenant had sent in written representations in which he said that in view of the very basic nature of the dwelling, the amount requested by the Landlord was excessive. He was unable to make any direct comparison between the subject property and others, simply because he knows of no other property in which the facilities are as basic as the subject property. He maintained the sum the Landlord was proposing would seem to correspond to a house of slightly larger size, and with an indoor WC and bathroom, central heating and a garage.

The Landlord made no written representations.

4. The relevant law relating to the determination of rent

Section 14 of the Housing Act 1988 requires the Committee 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), is to ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in Section 14(2) of that Act.

5. Consideration

The Committee worked through the written representations received from the Tenant. The subject property was unusual in that it had no indoor WC or bathroom and the hot water supply to the kitchen was limited. There was no central heating or double glazing and its rural situation and lack of local shops or public transport may have attracted a limited number of tenants. Although the building appeared to be structurally sound, the electrical wiring was very dated and there were very few power points. In the opinion of the Committee all of these factors would have made the property very difficult to let on the open market and hence may have depressed the asking rent. The Committee noted that in his Notice of Increase the Landlord was asking for a rent of £200 per week. The Landlord had not provided any evidence of rental evidence on which this figure had been based, nor evidence of any comparable rents to support the amount being requested. The Tenant had also not indicated what rent he thought would be reasonable to ask, but had merely said the amount being demanded was too much in view of the limited facilities at the property. In the absence of any evidence from the parties and using the Committees combined expert knowledge and experience of the rental market in the County of Surrey, the Committee came to the conclusion that the correct starting figure for a market rent for this property in a good condition and with all modern facilities would be in the region of £175 per week.

6. Deductions

From the starting market rent, deductions should be made to reflect the absence of modern facilities such as an indoor WC and bathroom, lack of central heating, basic kitchen, poor electrical wiring, lack of carpets and curtains and white goods which a landlord normally supplies with an assured shorthold tenancy, and a deduction to account for the more onerous repairing and decorations responsibilities in this tenancy. In view of the considerable

number of matters that would need to be carried out to bring the property up to a modern standard, the Committee decided a deduction of 50% of the market rent would be appropriate. This would reduce the estimated market rent from £175 per week to £87.50 per week.

7. Conclusion

The Committee therefore concluded that the rent at which the property might reasonably be expected to be let on the open market in its current condition and on the terms of the existing tenancy would be £87.50 per week. This is an increase from the existing rent of £76.00 per week to the new rent of £87.50 per week.

8. Date of commencement of new rent

The rent increases from £76.00 per week to £87.50 per week. The date of increase set out in the Notice of Increase was 16th October 2006. In the absence of any application by the tenant under Section 14 (7) of the Housing Act 1988 for the increase to take effect at a later date (being no later than the date the rent is determined) the Committee declines to delay the increase in rent. There is no evidence before the Committee that any undue hardship is likely to be caused to the tenant. The increase in rent will therefore take effect as from the date as set out in the Notice of Increase, namely 16th October 2006.

Chairman  Mr J B Tarling MCM

Dated 22nd November 2006