

Rent Assessment Committee

Full Reasons for Decision.

Housing Act 1988

Address of Premises

213 Clifton Court, Bristol Close,
Stanwell,
Middlesex TW19 7DE

The Committee members were

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

Parties:

A2 Housing Group – Landlord

Mr W. Benson – Tenant

Inspection: 9th November 2006

Decision: 22nd November 2006

1. Background

On 15th 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 £341.90 (inclusive of a service charge of £70.95 per month) per month with effect from 1st October 2006, is dated 30th August 2006. The tenancy had commenced on 14th August 1989. The Tenant remains in occupation as a contractual assured periodical tenant. The current rent is £308.49 (inclusive of a service charge of £54.33 per month) per month.

2. Inspection

The Committee inspected the property on 9th November 2006. The property is a studio flat situated on the second (top) floor of a low-rise Block of Flats on the Landlords Airways Housing Estate near Heathrow Airport. The estate had originally been built to house workers at the Airport. The Flat was approached from communal grounds and up an open outside staircase. There was no Lift. The accommodation was small, being one room which acts as a living room with a sleeping area and combined kitchen. In addition there is a separate bathroom/wc and a small hallway. The whole of the kitchen units and white goods were supplied by the landlord. The carpets and curtains were supplied by the tenant. There were double-glazed windows with additional secondary glazing. This was probably necessary to reduce noise from the Airport which was adjacent to the estate. The Service Charge included the cost of hot water and central heating and gardening to the communal garden areas. There was also a caretaker service for the properties on the estate. The tenant was responsible for internal decorations

which were in a fair condition. The tenant had also laid floor tiles in the kitchen and bathroom/wc.

3. Representations

The tenant had made written representations. In them he had complained about the poor condition of the bathroom fittings and the fixings for the sink in the bathroom were loose. He also said he could not afford the increased rent and that the increase in the current year was higher than the rate of inflation.

The landlords did not make any written representations.

4. Hearing

A Hearing took place at the Salvation Army Hall, Ashford which was attended by the tenant, Mr Benson. No representative from the landlords attended the hearing. Mr Benson addressed the Committee and said that the housing estate had originally been designed to provide affordable housing for the Airport workers. He had been told informally that any rent increases would be generally in line with inflation. He repeated his complaint that the current increase in rent was higher than the rate of inflation and that he could not afford the increase. He was unable to assist the Committee with any evidence of comparable market rents for similar properties. He had not appealed when the rent had been increased the previous year as he had accepted that increase, which had been only slightly higher than the rate of inflation. He agreed with the Committee that the copy tenancy agreement that had been supplied did not contain any restriction on the amount of the increases of rent, although it did give the tenant a right to appeal to the Rent Assessment Committee, which he had done. He confirmed that the landlord supplied services such as the hot water and central heating, caretaker and gardening for the communal garden areas. He did not challenge the amount of the service charge but commented that the service could have been better.

5. 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.

6. Consideration

(a) The Committee worked through the written representations received from the Tenant and the evidence he had given at the hearing. The new rent proposed by the landlord in its Notice of Increase was £270.95 per month for rent and £70.95 per month for service charge. This compared with the current rent of £254.16 per month and £54.33 for service charge. The Committee noted that the service charge had increased substantially, while the increase in rent was more modest. There had been no evidence before the Committee that the service charge was excessive for the services provided, other than by reference to inflation. The Committee concentrated on the amount of the increased rent. Whilst accepting that the accommodation was small, it was sufficient for a single person and had all the modern amenities. It accepted that the bathroom and kitchen facilities were rather dated and this may affect the market rent.

(b) The Committee reviewed the tenants claim that any increases in rent should be limited to the rate of inflation. There was clearly nothing in the tenancy agreement which limited such increases to the rent of inflation. There was provision in the tenancy agreement for the notice of increase to be referred to the

Rent Assessment Committee, which is what the tenant had done. The Committee noted in passing that market rents do not always follow the rate of inflation. Market rents follow the supply and demand for housing and sometimes vary from one part of the country to another.

(c) Without having received any evidence from either party as to the level of comparable market rents for this type of accommodation in this locality, the Committee using its combined expert knowledge of rent levels in this area concluded that the market rent of such accommodation was in the region of £500 per month. This amount would probably include a service charge of say £50 per month, making a starting net rent of say £450 per month. Such a figure would be exclusive of the cost of heating, hot water and general services. From this figure there should be a deduction of say 10% of £450 (£45) for the tenant's liability under the tenancy agreement to carry out internal decorations.


(d) This would give a net open market rent of the property in its current condition, inclusive of service charges but excluding heating and hot water of about £400 per month. The Committee agreed with the tenant about the dated condition of the kitchen and bathroom/wc and decided to make a further deduction of 20% ($20\% \times £400 = £80$). This brought the rent down to £320 per month. If a sum of say £20 per month to cover the cost of heating and hot water was then to be added on to £320, this would make a figure of £340 per month, which was not very much below the figure of £341.90 that the landlord was now proposing.

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 £341.90 per calendar month (being rent of £270.95 per month and £70.95 per month service charge).

8. Date of commencement of new rent

The rent increases from £308.49 per month to £341.90 per month. The date of increase set out in the Notice of Increase was 1st 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 tent 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 1st October 2006.

Chairman  Mr J B Tarling MCMI

Dated 22nd November 2006