

**Rent Assessment Committee: Summary reasons for decision.
Housing Act 1988**

Address of Premises

Pandora
71 Gwithian Towans
Gwithian, Hayle TR27 5BU

The Committee members were

J S McAllister FRICS (Chair)
A J Lumby BSc FRICS
Dr C W Gronow BSc PhD FBIM

1. Background

On 30th August 2005, Mr. G. Corr, the tenant of the above property, referred to the Committee an application under section 13 of the Housing Act 1988.

The landlords, Mr. and Mrs. A. J. Rice had issued a notice of increase dated 19th July 2005, proposing a rent of £110.00 per week with effect from 5th September 2005.

The tenancy, which is partly furnished, commenced on 30th October 1993 for an initial term of 6 months. The current rent is £60.00 per week which was fixed several years ago. There is a written tenancy agreement, a copy of which had been provided for the Committee. The tenant remains in occupation as a statutory periodic tenant...

2. Inspection

The Committee inspected the property on 13th October 2005. It is a detached single story chalet of timber frame construction clad in asbestos cement panels and roof sheets. It is probably about 60 years old, has Upvc double glazed windows and front door. Apparently, mains water and electricity are connected with drainage to a septic tank/cesspit shared with several other chalets.

It is located in a small development of chalets at the end of a private road near the beach on the eastern side of St. Ives bay. The nearest towns are Hayle, about 2-3 miles to the south west and Camborne about 3-4 miles to the east.

It has 2 bedrooms, living room/kitchen and shower room/wc. There is no central heating and hot water is by electric heater. Space heating is by a solid fuel stove installed by the tenant. Outside there is no parking with the property, it is "off site" and there is a small strip of land around the external walls of the chalet. It is in poor condition generally, also being in need of extensive modernisation and improvement.

3. Evidence

The committee received written representations from both the landlord's agents and the tenant and these were copied to the parties.

4. Hearing

The Landlords had requested a hearing at which oral representations could be made and this was held in the Landlord's adjoining chalet following the inspection of the subject property. Both they and Mr. Corr attended.

Mr. and Mrs. Rice were of the opinion that the reasonable and open market rent of the chalet having regard to its location assuming good condition was £525 per month (121.15 per week). They reduced this rent to allow for condition etc. to arrive at £110 per week.

Mr. Corr stated that as the landlords had proposed a rent of £70 per week in a letter to him dated 24th January 2004 that this was his view of the reasonable current rental value. When asked by the Committee he was of the view that the rental value, assuming the chalet was repaired, modernised etc. was £80-85 per week.

5. The law

In accordance with the terms of section 14 Housing Act 1988 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 that Act.

In coming to its decision (below) 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 North West Cornwall.

6. The decision

As indicated above, in accordance with Section 14 of the Housing Act 1988 the Committee firstly had to consider the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy. The Committee noted the rental evidence and opinion of the landlords. They also noted that the tenant had provided an opinion of the reasonable rental value but had not provided any written evidence to support that opinion.

After carefully considering the evidence and applying their own knowledge and experience, the Committee concluded that the appropriate open market rent for the property as repaired and modernised would be £100 per week. They then deducted £20 per week to reflect the lack of central heating, the dated condition of the chalet, its basic structure, dated kitchen and bathroom fittings, lack of on site parking etc.

In conclusion the Committee assessed the reasonable open market rent for the property in the sum of £80 per week exclusive of council tax and rates. This rent to take effect from the 5th September 2005, being the date specified by the landlords in their notice of increase. With regard to this date, the Committee were satisfied that no undue hardship would be caused to the tenant after considering the parties written representations on this issue.

Chairman (Signed)
 J S McAllister FRICS

Dated 1st November 2005

This document contains a summary of the reasons for the Rent Assessment Committee's decision. If either party requires extended reasons to be given, they will be provided following a request to the committee clerk which must be made within 21 days from the date of issue of this document.