

**Rent Assessment Committee: Reasons for decision.
Housing Act 1988 Section 13(4)**

Address of Premises

47 Pavilion Road
Aldershot
Hants
GU11 3NX

The Committee members were

Mr M R Horton FRICS (Chairman)
Mr P Turner-Powell FRICS

1. Background

Mr B D Dougherty the tenant, by succession, of the above property, referred a notice dated 28th February 2006 served by the Landlord, Regis Group Holdings Ltd, proposing a new rent under an assured periodic tenancy to a Rent Assessment Committee under the provisions of the Housing Act 1988 section 13(4) (The Act).

The rent proposed in the notice is £98.00 per week to take effect from 8th May 2006.

The rent currently paid for the property is £80.00 per week, a rent determined by a Rent Assessment Committee on 13th January 2004. The rent was effective from 9th February 2004.

Neither party requested a Hearing and no significant representations were received from either party.

2. The Statutory Provisions

It may be helpful if we describe the legal background to the function we have to perform where a valid application has been made to a Rent Assessment Committee under section 13(4) of the Act.

The Committee have to determine the rent payable in accordance with the provisions set out in section 14 of the Act and while we do not set out the full extent of this section we set out in full subsection (1)(a) to (c).

Housing Act 1988 section 14 (1)

Determination of rent by a rent assessment committee

- (1) *Where, under section (4)(a) of section 13 above, a tenant refers to a rent assessment committee a notice under subsection (2) of that section the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee consider the dwelling-house concerned might*

reasonably be expected to let in the open market by a willing landlord under an assured tenancy –

- (a) which is a periodic tenancy having the same periods as those of the tenancy to which the notice relates*
- (b) which begins at the beginning of the new period specified in the notice;*
- (c) the terms of which (other than those relating to the amount of rent) are the same as those of the tenancy to which the notice relates; and*
- (d)*

The committee are only allowed to discount the rent for improvements which have been carried out by the tenant **since** he succeeded to the tenancy and they have to disregard any effect on the rent attributable to the granting of a tenancy to a sitting tenant and any reduction in the value due to the failure by the tenant to comply with the terms of the tenancy.

It should be appreciated the Housing Act 1988 contains other provisions which the Committee have to take into account, e.g. the validity of the application, while legal precedents, where appropriate, also have to be considered but, in this case, the above appeared to the Committee to be the main areas affecting their determination.

3. Inspection

A duly appointed Committee inspected the property, in the presence of the tenant on 5th May 2006.

The property comprises a centre of terrace house of traditional brick and rendered construction under a slated roof.

Unusually for a house of this size and due to the significant slope on the site the accommodation is arranged on four levels.

The Committee recorded the house as being in fair condition but it was suffering from a very considerable degree of obsolescence with no bathroom or internal toilet, dated and basic kitchen, old wiring, damp, generally poor windows, deteriorating paintwork, and general obsolescence.

There is no hot water or central heating system and the property is let unfurnished.

There were no significant Tenant's improvements

Accommodation comprises: Ground Floor entrance hall, and living room. Lower Ground Floor Kitchen with door to garden. First Floor (Rear) Bedroom. Upper First Floor (Front) Two Bedrooms. Outside W.C. with high level cistern

4. The Consideration

With no representations or evidence having been put before the Committee they felt justified in coming to a decision based on their own knowledge and experience of rental levels in this locality.

The Committee first considered the rent at which a property of this type might reasonably be expected to let on an assured shorthold tenancy, there being virtually no evidence of lettings on an assured basis.

They concluded the optimum rental value would be in the region of £735.00 per calendar month, say, £170.00 per week.

However, on this basis they would expect to find a fully modernised centrally heated house with a well fitted kitchen and bathroom, up to date installations and minimum furnishings comprising carpets, curtains and a cooker.

Due to an assured shorthold letting usually being for a period of six to twelve months a landlord normally accepts responsibility for internal decorations on a fair wear and tear basis.

It is also the experience of the Committee that in a letting market with an increasing availability and selection of property available prospective tenants are becoming more discerning as to the quality and amenities of the property offered. In short they can be more selective with a consequent effect on the rental value of the less well appointed property, very much the situation with the subject house.

Indeed, for a property lacking such essential amenities as a bathroom, internal toilet and hot water the market would be extremely restricted.

All these matters require factoring into the rent in this case.

The committee arrived at the following valuation:

Base rent per calendar month £730.00 or, per week, say	£170.00
<u>Less adjustments, per week</u>	
No basic furnishings	8.00 pw
Tenants responsibility for internal decorations	6.00 pw
Basic kitchen & no bathroom or internal w.c.	35.00 pw
Other obsolescence/disrepair/damp	17.00 pw
Poor condition of wiring	8.00 pw
No central heating	18.00 pw
	<u>£92.00 p.w</u>
Adjusted rent	<u>£78.00 p.w.</u>

The adjustments reflect the perceived value attributable to their rental value and do not necessarily relate to their remedial cost.

The Committee duly note that their valuation produces a lower rent than that assessed by the previous Committee in 2004 but this is entirely due to the increasing amount of property available to rent and the very limited market for such a sub-standard house.

6. Decision

The Committee determine the rent of 47 Pavilion Road, Aldershot at £78.00 per week.

This rent will take effect from 8th May 2006 being the date in the Landlord's notice.

Signed: 

Michael R Horton FRICS (Chairman)

Date: 5th May 2006

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