

Eastern Rent Assessment Panel
Great Eastern House Tenison Road Cambridge CB1 2TR
Telephone: 0845 1002616 Facsimile: 01223 505116



REASONS FOR DECISION OF RENT ASSESSMENT COMMITTEE

Reasons requested by Landlord/Tenant under section 10 of the Tribunals and Enquiries Act 1992 and Regulation 10a of the Rent Assessment Committees (England and Wales) Regulations 1971.

SUMMARY

PROPERTY: 47 New Street, St Neots, Cambs PE19 1AJ
Ref. No. CAM/12UE/MNR/2005/0083
Date of Decision: 1 September 2005
Landlord: Sheik Brothers Partnership (agents, Leeds Day, Solicitors)
Tenant: Ms Kerrie Jane Roberts
Rent at date of Landlord's Notice: £350.00 per calendar month
Rent proposed by Landlord: £650.00 p.c.m.
Rent determined by Committee: £405.00 p.c.m.
Date new rent takes effect: 1 August 2005

MEMBERS OF THE COMMITTEE

Mr G M Jones - Chairman
Mr G R C Petty FRICS
Mr R S Rehahn

1. THE PREMISES

The type of property: Semi-detached house, with three good bedrooms; two reception rooms; kitchen; bathroom; ground floor cloakroom; and gardens front and rear.
Location: Busy thoroughfare near centre of town, convenient for the shops

- 1.1 Inspection (in the presence of the tenant and Mr Esau Sheik):
The property dates from the 1950's; it is of brick and tile construction, part-rendered, with aluminium-framed double glazing. The basic structure and exterior are in reasonable condition, apart from the conservatory, which is in a state of collapse. The gardens are untidy and the concrete path at the rear is cracked. Car parking (a source of dispute between the parties) is currently available in the landlord's car park, reached from West Street. Space heating is by gas-fired central heating. The bathroom is dated, with a cracked window and the suite in poor condition. The suite in the ground floor cloakroom is also overdue for replacement. The kitchen is more modern but fitted with second-hand units. Works commissioned by the landlord to remove a condemned gas fire and back-boiler and install central heating and to refit the kitchen remains unfinished. The property is let with a second-hand cooker and refrigerator and some carpeting. The few remaining original carpets are in poor condition; other floor coverings have been supplied by the tenant.

2. **THE TENANCY**

The tenancy is a monthly assured tenancy which commenced on 5 March 1994. There is no written agreement. The Landlord & Tenant Act 1985 s.11 applies; the landlord is responsible for repairs to the structure, including the conservatory, kitchen and bathroom, and the appliances for the supply of services, gas, water and electricity. The landlord has a statutory obligation (enforceable through criminal sanctions) to ensure that any gas appliance are tested annually, this being very important for safety reasons.

3. **THE APPEAL**

3.1 Date of landlord's section 13 notice: 13 June 2005
This was the first increase since the late 1990's

Date of tenants section 14 application: 11 July 2005
Hearing: Yes

4. **THE PARTIES' RESPECTIVE CASES**

- 4.1 The tenant complained that the landlord has not kept promises to improve the bathroom and carry out repairs to the conservatory. The kitchen units, although an improvement when installed in 1997-8, are incomplete and do not all match. The tenant painted them to make them look more cheerful. The back door is rotten and the taps drip. The back garden is infested with "ground ivy", the removal of which is beyond her abilities and should be the responsibility of the landlord. She also argued that, because of a variation to the terms of the tenancy agreement, she is entitled to rear vehicular access, which is currently denied. This is a considerable inconvenience. She described the property as a "good-sized house with lots of potential" but argued that, having regard to its current poor condition, the landlord is asking for far too much rent. She would be willing to pay a reasonable open market rent; but would like the property put into reasonable order first.
- 4.2 Mr Sheik on behalf of the landlords said he did not believe the tenant was entitled to rear vehicular access. When let, the property had only pedestrian access at the rear. The tenant had fitted double gates in the rear boundary and, admittedly, the landlords had not objected. That access was no longer possible as the land at the rear had been sold off. The landlords had set aside a space in their car park for her use. However, vehicular access could be provided and the landlords would consider it. He said he had been unaware of the items of disrepair which he had now seen for himself and would set the necessary works in hand. As a businessman, he understood that this would enhance the rental value of the property in the future. The figure of £650.00 p.c.m. was based on professional advice, admittedly on the assumption that the property was in good condition throughout. He accepted that the property was not in that sort of condition at present.
- 4.3 It appeared to be undisputed that the tenancy originally arose out of a "family arrangement" which, unfortunately, was never reduced to writing. In particular, it is unclear whether the tenant is entitled to rear vehicular access. There is no need to summarise the evidence relating to the history of the tenancy, as it does not appear relevant to the issue before the Committee, namely, the assessment of a reasonable market rent. However, it does appear unfortunate that the agreed terms were not reduced to writing. It is not too late for this to be done by mutual consent; it would certainly reduce the scope for future disagreements and disputes.
- 4.4 See also written representations on file.

5. THE LAW

- 5.1 In general terms, the task of the Committee under the provisions of section 14 of the Housing Act 1988 is to determine the rent at which the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord. It follows that the personal circumstances of the parties are irrelevant and the Committee cannot take them into account.
- 5.2 The Committee must disregard any effect on the rent attributable to the granting of a tenancy to a sitting tenant, any increase in value attributable to "relevant" tenants' improvements and any reduction in value attributable to a failure by the tenant to comply with any terms of the tenancy. Full Reasons (if requested) will set out the relevant legal principles in detail.

6. THE DECISION

- 6.1 Summary of findings and conclusions:-

The Committee considers that the subject property is in reasonable structural condition; however, it is not fully modernised and there is significant disrepair. These matters are such as to substantially depress the market rent. The cost to the landlord of improving the kitchen and bathroom, rebuilding the conservatory and repairing other minor defects, appears likely to represent a good investment in terms of increased rent. Off-street parking, as currently provided, is valuable in this location. Rear vehicular access, which would be simple to provide, would be even more valuable. The overgrown condition of the garden is readily remediable and has almost no effect on rental value.

- 6.2 The Committee considered evidence of comparable lettings. The Committee's own knowledge and experience is to the effect that rents for three-bedroom modern or modernised properties in St Neots range from £560 to £650 p.c.m. These generally have gas-fired central heating, carpets, curtains and white goods. In particular, 14 New Street, a modernised three-bedroom Victorian house is let on assured shorthold terms at £595 p.c.m.; and 21 Dovehouse Close, a small modern three-bedroom terraced house with garage, located in a quiet residential cul-de-sac close to the Police Station, is currently to let at £600 p.c.m. The Committee carried out an external inspection of both properties.
- 6.3 On the evidence, and having regard to the knowledge and experience of its members, the Committee considers that the open market rent for the subject property, if let on assured shorthold terms and in good condition throughout, with carpets, curtains and white goods, would be £600 p.c.m. The Committee deducts 10% for the substantial lack of carpets and curtains and the quality of the white goods supplied; 10% for the condition of the kitchen, bathroom and cloakroom fittings; and a further 12.5% for other disrepair, to reach an open market rent for the subject property as let of £405 p.c.m.
- 6.4 The tenant has decorated internally; but there are no significant tenant's improvements. It was not argued that there would be hardship to the tenant were the rent to take effect from the date specified in the landlord's notice. Accordingly, the rent increase takes effect from 1 August 2005.

Geraint M Jones MA LLM (Cantab)
Chairman



Note: This is a summary of the Committee's reasons for its decision. Should you require more detailed reasons, they can be supplied but only if a written request is received by the Panel Office within 21 days from receipt of this document. The papers will then be returned to the Chair for such detailed reasons to be prepared.