

Rent Assessment Committee: Full reasons for decision. Housing Act 1988

Address of Premises

59 Southdown Road
Hersham
Surrey
KT12 4PJ

The Committee members were

B J C Mire BSc (Est Man) FRICS (Chairman)
D Lintott FRICS (Valuer)
Miss J Dalal (Lay person)

1. Background

On 25th March 2006 the Tenants 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 £108.51 per week with effect from 3rd April 2006 is dated the 14th February 2006.

We understood the tenancy to be a statutory periodic tenancy, which we were advised by Mr Neeley, correcting his entry at question 4, commenced in March 1992. The passing rent payable is £103.21 per week.

2. Inspection

The Committee inspected the property on 25th May 2006 and found it to be in a fair condition.

We saw that the front garden fence was broken, that the cast iron gutters were leaking, that the garage doors could not be opened and that rain and wind permeated around the rear door in the kitchen. It was noted that the window in the living room had recently been replaced but the installation appeared to us to be incomplete.

Whilst the units in the kitchen and the bathroom sanitary ware were modern replacements, they were now somewhat dated in appearance.

The Landlord provided central heating system did not include a radiator in the kitchen nor did it provide the full range of controls (thermostats and thermostatic radiator valves) which one would expect in a modern installation.

It was noted that the Tenants had installed a patio and had repaired the fences at the rear of the house. They had also provided linoleum and carpet floor coverings and curtains and white goods in the kitchen.

3. Evidence

The Committee received written representations from the Tenants, a copy of which had been passed to the other party.

The Landlord did not provide any representations or comment on those of the Tenant.

Neither party requested a hearing at which oral representations could be made.

4. The law

In accordance with the terms of section 14 of the 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 any relevant tenant's improvements as defined by section 14(2) of that Act.

5. Valuation

Thus in the first instance the Committee determined what rent the Landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such an open market letting. In coming to its decision and in view of the lack of evidence provided by the parties, the Committee had regard to the members' own general knowledge of market rent levels

in the area of Surrey. Having done so it concluded that such a likely market rent would be £950 per calendar month.

However, the actual property is not furnished as is considered usual for a modern letting at a market rent nor is it to be let on a shorthold tenancy. Therefore it was first necessary to adjust that hypothetical rent to allow for these differences.

The Committee considered that this required a deduction of £432 per month to make allowances for:

Lack of white goods	£30.00
Partial central heating	£47.50
Lack of modern kitchen	£142.50
Lack of furnishings (carpets and curtains)	£65.00
Repairs required	£95.00
Tenant's internal decorating liability	£52.00

When properties are let in the open market in this area, the landlord generally includes carpets and curtains and white goods. None are included in this letting. We made an allowance to reflect the amount of the reduction in rent that we believe a prospective tenant would expect to negotiate in the open market because of their absence.

We also have to make an adjustment to reflect the different obligations about repairs and decorations, between the usual open market assured shorthold tenancy and an assured tenancy. The assured shorthold tenant normally has no responsibility for repairs and decorations. An assured tenant is usually responsible for them (subject to the statutory exceptions where they apply) so far as the inside of the property is concerned. Someone taking a tenancy in the open market that imposed those additional obligations upon him would be prepared to pay less by way of rent than he would pay if the landlord was to be responsible for them. The reduction would usually relate to what it would cost to keep the inside of this home in good decorative order and repair. Our adjustment reflects our view of the sort of reduction that would be likely to be made in the open market to deal with the point.

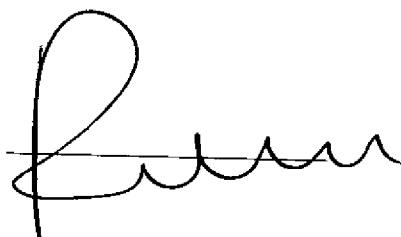
This leaves a net market rent for the subject property of £518 per calendar month which equates to £119.50 per week.

6. Decision

The Committee therefore concluded that the rent at which the property might reasonably be expected to be let in the open market would be £119.50 per week and determined this to be the rent of the premises.

No evidence of hard ship was provided to the Committee which therefore determined that the rent be increased to this sum from the date of increase in the Landlord's Notice, i.e. the 3rd April 2006.

Chairman

A handwritten signature in black ink, consisting of a large initial 'P' followed by several loops and a horizontal stroke.

Dated

6th June 2006