

## **Rent Assessment Committee: Summary reasons for decision. Rent Act 1977**

**Address of Premises**

FLAT 6 CHARLECOTE  
LANSDOWN ROAD  
BATH  
AVON  
BA1 5RJ

**The Committee members were**

Mr G C M Young LLM  
Mr S Hodges FRICS  
Mr C S Gale

### **1. Background**

On 19 July 2005 the landlord applied to the rent officer for registration of a fair rent of £1800 per quarter for the above property.

The rent payable at the time of the application was £1230 per quarter.

On 25 August 2005 the rent officer registered a fair rent of £535 per calendar month (£1605 per quarter) with effect from that date.

By a letter dated 31 August 2005 the tenant objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

### **2. Inspection**

The Committee inspected the property on 7 November 2005 and found it to be in good condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

Tenant's improvements had been made to the property as listed by the Rent Officer.

### **3. Evidence**

The Committee received written representations from the landlord and tenant and these were copied to the parties.

A hearing was held on 7 November 2005 in the Central United Reformed Church, Bath at which oral representations were made by and on behalf of the landlord and tenant. The Committee was concerned at an apparent lack of detailed knowledge about the block of flats and the management of it by and on behalf of the landlord.

### **4. The law**

When determining a fair rent the Committee, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances including the age, location and state of repair of the property. It also disregarded the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property.

In *Spath Holme Ltd v Chairman of the Greater Manchester etc. Committee* (1995) 28 HLR 107 and *Curtis v London Rent Assessment Committee* [1999] QB 92 the Court of Appeal emphasised

- (a) that ordinarily a fair rent is the market rent for the property discounted for 'scarcity' (i.e. that element, if any, of the market rent, that is attributable to there being a significant shortage of similar properties in the wider locality available for letting on similar terms - other than as to rent - to that of the regulated tenancy) and
- (b) that for the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

## **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. It did this by having regard to the evidence supplied by the parties and the Committee's own general knowledge of market rent levels in the area of Bath. Having done so it concluded that such a likely market rent would be £750 per calendar month.

However, the actual property is not in the condition considered usual for a modern letting at a market rent. Therefore it was first necessary to adjust that hypothetical rent of £750 per calendar month to allow for the differences between the condition considered usual for such a letting and the condition of the actual property as observed by the Committee (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title). The Committee considered that this required a deduction of £50 per calendar month in respect of carpets and curtains and a further £100 per calendar month in respect of replacement of the kitchen units and the addition of heating and double glazing.

It should be added that some evidence was given of works being done in 1988 in respect of which a rent abatement was agreed, but the evidence from both landlord and tenant was so vague as to be of little value, and a deduction as above was considered to be the appropriate, and indeed a normal way of dealing with the matter.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £60 calendar month from the market rent to reflect this element.

This leaves a net market rent for the subject property of £540 per calendar month.

## 6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £540 per calendar month.

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because there was not an existing registered fair rent at the time of the application.

**Accordingly the sum of £540 per calendar month (£1620 per quarter) will be registered as the fair rent with effect from 7 November 2005 being the date of the Committee's decision.**

Chairman \_\_\_\_\_ 

Dated \_\_\_\_\_ 16.11.05

---

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 at the Panel Office which must be made within 21 days from the date of issue of this document.