

**Rent Assessment Committee: Summary reasons for decision.
Rent Act 1977****Address of Premises**

41 Park Road
Dartford
Kent
DA1 1ST

The Committee members were

Mr I W Collins FRICS IRRV
(Chairman)
Mr R Athow FRICS MIRPM
Ms L Farrier

1. Background

On the 19th April 2004 the landlord applied to the rent officer for registration of a fair rent of £85 per week for the above property.

The rent payable at the time of the application was £65.50 per week.

The rent was previously registered on 30th June 2002 with effect from the same date at £65.50 per week following a determination by the rent officer.

On the 21st May 2004 the rent officer registered a fair rent of £72 per week with effect from 30th June 2004.

By a letter dated the 27th May 2004 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 the 23rd September 2004 and found it to be in very poor condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties. It was particularly noted that the exterior of the property is in serious need of repair and decoration including urgent attention to the front bay structure, windows and tile hanging.

The following tenant's improvements had been made to the property: decorations internally and externally, full kitchen, bathroom and toilet fittings, central heating, outer front door, hot water system and all carpets and white goods.

3. Evidence

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

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

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 north west Kent. Having done so it concluded that such a likely market rent would be £150 per week.

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 £150 per week 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 £30 per week.

Furthermore, to allow for the tenant's improvements and obligations (listed above) it was necessary to make a further total deduction of £60 per week including £15 in respect of white goods, carpets and curtains, £25 for central heating and hot water and £20 for kitchen and bathroom fittings.

The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity .

This leaves a net market rent for the subject property of £60 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £60 per week.

The section 70 fair rent determined by the Committee is below the level of the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. Details are provided on the back of the decision form.

Accordingly the sum of £60 per week will be registered as the fair rent with effect from the 23rd September 2004 being the date of the Committee's decision.

A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a horizontal stroke.

Chairman

Dated 27th September 2004

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.

Rent Assessment Committee: Reasons for decision.**Rent Act 1977****Address of Premises**

41 Park Road
Dartford
Kent
DA1 1ST

The Committee members were

Mr I W Collins FRICS IRRV
(Chairman)
Mr R Athow FRICS MIRPM
Ms L Farrier

Landlord: Mr G S Wood (c/o McConnells)

Tenant: Mr Bristow

1. Background

On the 19th April 2004 the landlord applied to the rent officer for registration of a fair rent of £85 per week for the above property.

The rent payable at the time of the application was £65.50 per week.

The rent was previously registered on 30th June 2002 with effect from the same date at £65.50 per week following a determination by the rent officer.

On the 21st May 2004 the rent officer registered a fair rent of £72 per week with effect from that date.

By a letter dated the 27th May 2004 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 the 23rd September 2004 in the presence of the tenant Mr Wood. The property comprises an end terrace house constructed circa 1900 of traditional materials. The accommodation provides on the ground floor 2 rooms, back addition kitchen with adjoining toilet, the first floor has 3 bedrooms and small bathroom. There is no first floor toilet. The property generally is in very poor condition and externally the front bay window requires urgent attention and repair.

External decoration and repair works to windows is urgently required. It was particularly noted that the exterior of the property is in serious need of repair and decoration including urgent attention to the front bay structure and tile hanging. Internal decoration and repair is also fairly poor. The property does not have central heating, the tenant having fitted a gas fire in the lounge.

The tenant claimed that he has been responsible for the majority of internal and external maintenance and improvements including: decoration internally and externally, kitchen fixtures and fittings, bathroom and toilet fittings, central heating, outer front door, hot water system and all carpets and white goods.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the parties. McConnells as agents for the landlord submitted details of rents for properties which they have recently let in the Dartford area, comprising semi detached and detached houses with the benefit of central heating. The tenant referred to the previous history of the property and it's condition.

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

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

The Committee noted the age, location, accommodation and condition of the property. 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, including the landlords agents comparables, together with the Committee's own general knowledge of market rent levels in the area of north west Kent. Having done so it concluded that such a likely market rent would be £150 per week.

However, the actual property clearly 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 £150 per week 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 £30 per week.

Furthermore, to allow for the tenant's improvements and obligations (listed above) it was necessary to make a further total deduction of £60 per week including £15 in respect of white goods and carpet and curtains, £25 for central heating and hot water and £20 for kitchen and bathroom fittings.

The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity .

This leaves a net market rent for the subject property of £60 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £60 per week.

The section 70 fair rent determined by the Committee is below the level of the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. Details are provided on the back of the decision form.

Accordingly the sum of £60 per week will be registered as the fair rent with effect from the 23rd September 2004 being the date of the Committee's decision.

Chairman



Dated

