

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

Address of Premises

1 st & 2 nd Floor Flat 129, York Road Woking, Surrey, GU 22 7XR
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The Committee members were

Mrs Helen Bowers MRICS Mr Hugh Preston JP FRICS Miss Jayam Dalal
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1. Background

On 13th May 2004 the landlord applied to the rent officer for registration of a fair rent of £850 per quarter for the above property.

The rent payable at the time of the application was £676.50 per quarter.

The rent was previously registered on 7th August 2002 with effect from that date at £676.50 per quarter following a determination by the rent officer.

On 15th July 2004 the rent officer registered a fair rent of £1,800 per quarter with effect from that date.

By a letter dated 10th August 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 was unable to gain access at the appointed time in order to inspect the property internally and therefore made an external inspection only.

3. Evidence

The Committee received written representations from the landlord in their letter of the 18th August 2004 and these were copied to the tenant. No written representations were received from the tenant.

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 Committee's own general knowledge of market rent levels in the area of Woking. Having done so it concluded that such a likely market rent would be £850 per calendar month.

However, from the Rent Officer's survey details, 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 £850 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 £250 per calendar month.

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 £600 per calendar month and this equates to £1,800 per quarter.

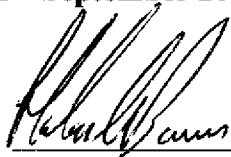
6. Decision

The fair rent initially confirmed by the Committee, for the purposes of section 70, was accordingly £1,800 per quarter.

The fair rent to be registered/confirmed is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because by virtue of landlord's repairs and/or improvements since the previous registration the rent confirmed by the Committee exceeds by at least 15% the previous registered rent.

Accordingly the sum of £1,800 per quarter will be confirmed as the fair rent with effect from 22nd September 2004 being the date of the Committee's decision.

Chairman



Dated

23rd September '04

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.