

**Eastern Rent Assessment Panel
Ref No.**

File

CAM/00MD/F77/2006/0086

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

**Address of Premises
were**

1 St Georges Crescent
Slough
Berkshire
SL1 5PL

**The Committee members
were**

Mrs H C Bowers MRICS
Mr J J Sims
Mr A Kapur

1. Background

On 26th July 2006 the landlord applied to the rent officer for registration of a fair rent of £570 per month for the above property. The rent payable at the time of the application was £89.50 per week.

The rent was previously registered on 15th July 2003 with effect from that date at £89.50 per week following a determination by the Rent Officer.

On 14th September 2006 the Rent Officer registered a fair rent of £102.50 per week with effect from that date.

By a letter dated 20th September 2006 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 23rd November 2006 and found it to be in fair condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties. However, it was particularly noted that the tenant had carried out a number of improvements to the property and in particular had installed central heating.

3. Evidence

The Committee received written representations from the tenant and these were copied to the landlord. No written representations were received from the landlord.

A hearing was held in Slough on 23rd November 2006 at which oral representations were made by the tenant. The landlord did not attend and was not represented.

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 emphasized

- (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 this area of Cippenham. Having done so it concluded that such a likely market rent would be £195 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 £195 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 £83 per week.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £12 from the market rent to reflect this element.

This leaves a net market rent for the subject property of £100 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £100 per week.

The fair rent of £100 determined by the Committee is below the capped rent of £103.50 per week under the provisions of the Rent Acts (Maximum Fair Rent) Order 1999.

Accordingly the sum of £100 per week will be registered as the fair rent with effect from 23rd November 2006 being the date of the Committee's decision.

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24/11/06
