

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

2 Oldhouse Cottages
Rocky Lane
Haywards Heath
West Sussex RH616 4RW

The Committee members were

Ms J A Talbot MA (Cantab) Chairman
Mr J N Cleverton FRICS
Ms J Dalal

1. Background

On 03/06/2004 the landlord applied to the rent officer for registration of a fair rent of £444.00 per calendar month for the above property.

The rent payable at the time of the application was £422.50 per calendar month.

The rent was previously registered on 11/07/2004 with effect from the same date at £422/50 per calendar month following a determination by the rent officer.

On 20/07/2004 the rent officer registered a fair rent of £469.50 per calendar month with effect from that date.

By a letter dated 24/07/04 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 03/09/2004 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.

The property comprises a small semi-detached two storey cottage, at least 200 years old, of brick construction under a tiled roof, situated on level ground just outside Haywards Heath. Although the location is semi-rural, the cottage is close to a main road and the traffic noise is noticeable. The accommodation consists of a small sitting

room accessed directly from the front door, a small modern kitchen and bathroom/WC on the ground floor, and 3 rooms on the first floor, two of which are small. The layout of the kitchen and bathroom is unsatisfactory in that the kitchen is very small and narrow, so that if someone is in the kitchen, it is only possible to get to the bathroom if that person moves aside. There are open timber beams throughout the cottage. The wooden windows are in good condition. The property has central heating.

There were no tenant's improvements to the property.

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. The tenant submitted that the property should be regarded as having two rather than three bedrooms, because the two smaller rooms had previously been converted from one larger room. The landlord disputed this. However, the Committee was obliged to value the property as seen on the date of the valuation, and this was with three bedrooms.

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 semi-rural Haywards Heath. Having done so it concluded that such a likely market rent would be £160.00 per week.

The actual property is in the condition considered usual for a modern letting at a market rent, apart from the fact that the tenant has provided curtains and all furnishings, and has an obligation to decorate the interior. The unsatisfactory downstairs layout is also a relevant factor. Therefore it was first necessary to adjust that hypothetical rent of £160.00 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 £24.00 per week calculated as follows:

Open market rent

£160.00

Deductions

Lack of curtains, white goods	£ 8.00	
Layout	£13.00	
Different tenancy terms		
(tenant's decorating liability)	<u>£ 3.00</u>	£ 24.00

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 £136.00 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £136.00 per week, or £589.33 per calendar month.

However, by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 the maximum fair rent that can be registered in the present case is the lower sum of £470.00 per calendar month (details are provided on the back of the decision form).

Accordingly the sum of £470.00 per calendar month will be registered as the fair rent with effect from 03/09/2004 being the date of the Committee's decision.

Chairman

J. Talbot

Ms Jane Talbot

Dated

13/09/04

This document contains a full statement of the reasons for the Rent Assessment Committee's decision.