

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

**Address of Premises**

274 Crownhill Road  
Plymouth  
Devon  
PL5 3SQ

**The Committee members were**

Mr D G Willis (Chairman)  
Miss C Rai  
Mr E R Distin FRICS

### **1. Background**

On 10 July 2003 the landlord applied to the rent officer for registration of a fair rent of £75.00 per week for the above property.

The rent payable at the time of the application was £62.00 per week.

The rent was previously registered on 2 August 2001 with effect from the same date at £62.00 per week following a determination by the rent officer.

On 4 August 2003 the rent officer registered a fair rent of £87.00 per week with effect from that date.

By a letter (undated), received 22 August 2003, 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 28 October 2003 in the presence of the tenant and Mrs Linda Johns from Plymouth City Council. It was situated on a very busy traffic route close to a local authority housing estate with an electricity sub-station immediately to the rear.

It consisted of a lounge, dining room, kitchen, bathroom/wc and 2 bedrooms.

The exterior appeared to have been recently rendered with a stone finish, also plastic guttering and plastic fascia boards had been fitted. However the wooden fascia over one of the bedrooms would appear not to have been replaced with plastic although it would appear to be in need of replacement. The soffit appeared to be in need of attention. There was no front gate. The Landlord had inserted a new window in one of the bedrooms, but the old one was in the garden and needed to be removed.

The interior was generally in a poor decorative order with the exception of the dining room and hall. The bathroom had been fully tiled.

The Tenant had recently arranged, and the Landlord consented to, the installation of central heating and roof insulation with the help of a grant. This work was carried out in December 2002. One room did not have a radiator as the grant only provided four radiators under the terms of the grant.

The central heating system necessitated the installation of a new gas boiler in the kitchen. This was installed in such a way that there is very little clearance between the bottom of the boiler and the draining board.

The Landlord has also offered to replace the dated Belfast sink and draining board with a stainless steel sink and draining board with cupboards under and also the kitchen window, but the Tenant indicated she was happy with the present arrangement and did not wish such works to take place.

The Tenant is physically unable to open the window in the kitchen for ventilation when cooking. Any ventilation is through the outside door which she has to open. There is therefore much discoloration caused by condensation. The ceiling paper was peeling off.

The sitting room and bedroom 2 were used as storage rooms and not for living purposes. Both were in need of decoration.

The bathroom had had a window replaced.

### **3. Evidence**

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

### **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 Plymouth, Devon. Having done so it concluded that such a likely market rent would be £110 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 £110 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 £1.92 per week.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £9.61 per week.

The Tenant is liable to carry out internal decorations. The Committee equated this liability at £5.76 per week and consequently a further deduction of this sum should be made.

The Committee did not consider that there was any substantial scarcity element thus disagreeing with the Rent Officer and accordingly no further deduction was made for scarcity. These allowances total £17.29. This leaves a net market rent for the subject property of £92.71 per week but say £92.50 per week.

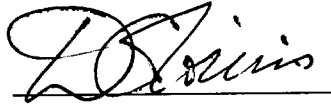
## **6. Decision**

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £92.50 per week.

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 £68 per week. (Details are provided on the back of the decision form).

**Accordingly the sum of £68 per week will be registered as the fair rent with effect from 28 October 2003 being the date of the Committee's decision.**

Chairman



D G WILLIS

Dated

19th November 2003

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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.