

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

Address of Premises

8 Theocs Close
Tewkesbury
Gloucester
GL20 5TX

The Committee members were

Mr A D McC Gregg
Mr I R Perry BSc FRICS
Dr D F Johnson

1. Background

On 22 May 2003 the tenant applied to the rent officer for registration of a fair rent of £350 per calendar month for the above property.

The rent payable at the time of the application was £350 per calendar month.

On 4 July 2003 the rent officer registered a fair rent of £525 per calendar month with effect from that date.

By a letter dated 28 July 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 17 October 2003 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 following tenant's improvements had been made to the property.

Internal redecoration

Fully carpeted and curtained

Shelving in kitchen units

Shelving in lean-to

3. Evidence

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

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 Tewkesbury. Having done so it concluded that such a likely market rent would be £650 per calendar month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a deduction of £25 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 £625 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £625 per calendar month.

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because there was not an existing registered fair rent at the time of the application.

Accordingly the sum of £625 per calendar month will be registered as the fair rent with effect from 17 October 2003 being the date of the Committee's decision.

Chairman

Paul Cunn

Dated

5th November 2003

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.