

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

### **Rent Act 1977**

#### **Address of Premises**

4 Mill Lane  
Corfe  
Taunton

#### **The Committee members were**

Mr M J Greenleaves  
Mr E G Harrison FRICS  
Mr A P Osborn

### **1. Background**

- a) On 13<sup>th</sup> August 2003 the landlord applied to the Rent Officer for registration of a fair rent of £320 per calendar month for the above property .
- b) The rent was previously registered on 18<sup>th</sup> July 2001 with effect from the same date at £285 per calendar month following a determination by the Rent Officer
- c) By a letter dated 12<sup>th</sup> October 2003 the tenant objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

### **2. Inspection**

- a) The Committee inspected the property on 12<sup>th</sup> December 2003 and found it to be in fair condition for its age and character. It is an end of terrace, two bedroom (partitioned by the tenant to form three bedrooms) cottage with bathroom, kitchen dining room and sitting room. The windows are doubleglazed. There is a porch to the front door and lean-to porch to the rear giving covered access to the toilet. There is septic tank drainage.
- b) The property has front and rear gardens with a garage and vehicular access; further vehicular access being available to the rear. The property is located in a rural setting in the village of Corfe which has no shopping facilities.
- c) The following tenant's improvements had been made to the property:
  - The kitchen surfaces, sink and wall cupboards
  - New toilet in the bathroom
  - The front and rear porches
  - Provision of a garage and the creation of vehicular access to it.

### **3. Evidence**

- a) The committee received written representations from the landlord and tenant and these were copied to the parties
- b) A hearing was held on 12<sup>th</sup> December 2003 at which oral representations were made by and on behalf of the landlord and the tenant.
- c) The main points made by the tenant were:

- Concerning the manner in which the Rent Officer had dealt with the matter and reference to percentage increases in rent
  - That Crown properties to which the landlord referred were well maintained and therefore different
  - The improvements made by the Tenant as noted above
  - No local facilities and poor public transport
  - The work carried out by the landlord such as roof tiling, electrical wiring and central heating system
- d) The Landlord's evidence referred to comparable properties in relation to open market value of the subject property.

#### **4. The consideration**

- a) When determining a fair rent the Committee, in accordance with the Rent Act 1977, s.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.
- b) 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
- i) 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
  - ii) that for the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate market rent comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property)

#### **5. Valuation**

- a) Thus in the first instance the Committee determined what rent the landlord could reasonably be expected to obtain 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 an area within a radius of 20 miles of Taunton.
- b) In particular, the Committee considered that, of the evidence produced, Rose Cottage at £400 per calendar month and 2 Keepers Cottage at £375 per calendar month were significant. Rose Cottage was a two bedroom mid terrace property of similar size, without central heating or doubleglazing, with parking space. The rent had been reviewed to £400 in January 2003. 2 Keepers Cottage is a two bedroom property with downstairs bathroom and parking, the rent having been fixed in Summer 2003. Having considered the evidence it

concluded that a likely market rent would be £425 per calendar month or £98 per week.

- c) However, the actual property provided by the landlord 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 £98 per week to allow for the differences between the condition/ facilities considered usual for such a letting and the condition/facilities 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 £5 per week for carpets and curtains and £5 per week for decorations (neither of which are provided or carried out by the landlord)
- d) Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £15 per week.
- e) The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.
- f) This leaves a net market rent for the subject property of £73 per week. The Committee had no evidence as to the cost of any boiler or central heating servicing by the landlord, but considered, in any event, that the value to the tenant was negligible.

## 6. Decision

- a) The fair rent initially determined by the Committee for the purposes of Section 70 was accordingly £73 per week.
- b) The Section 70 fair rent determined by the Committee is at the same level as the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that limit has no effect. Details are provided on the back of the decision form.
- c) Accordingly the sum of £73 per week will be confirmed as the fair rent with effect from 12<sup>th</sup> December 2003 the date of the Committee's decision.

Signed



Dated

12<sup>th</sup> December 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.