

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

469 Charminster Road
Bournemouth
BH8 9RA

The Committee members were

Mr T George
Mr P Harrison FRICS
Mr J Mills

1. Background

On 20th January 2003 the landlord applied to the rent officer for registration of a fair rent of £400 per month for the above property.

The rent payable at the time of the application was £337.50 per calendar month.

The rent was previously registered on 19th December 200 with effect from the same date at £337.50 per calendar month following a determination by the rent officer.

On 18th March 2003 the rent officer registered a fair rent of £367 per calendar month with effect from that date.

By a letter dated 24th March 2003 the landlord 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 20th May 2003 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.

The following tenant's improvements had been made to the property.
The installation of new fittings in the kitchen.

3. Evidence

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

A hearing was held on 20th May 2003 in the Bournemouth Education and Development Centre at which oral representations were made by the landlord. The tenant was not present or 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 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 Bournemouth. Having done so it concluded that such a likely market rent would be £542 per calendar month.

The committee decided that the following deductions should be made:

- 1) for the tenants improvements listed above a deduction of £7 per week.
- 2) For the tenants decorations liability £8 per week
- 3) For the carpets and curtains £5 per week
- 4) For no central heating £8 per week

Making total deductions of £28 per week or £121 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 £421 per calendar month which is in the range of the Rent Officers figure of £425 per calendar month which the Committee found to be the net market rent.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £425 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 £369.50 per calendar month (Details are provided on the back of the decision form).

Accordingly the sum of £369.50 per calendar month will be confirmed as the fair rent with effect from 20th May 2003 being the date of the Committee's decision.

Chairman Mr T George

Dated 20th May 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.