

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

2 Chavenage Green Cottages
Tetbury
Glos.
GL8 8XW

The Committee members were

Mr D.R.Hebblethwaite BA (Chairman)
Mr J.R.Boddy ARICS
Mr R.P.Long LLB

1. Background

On 19 December 2002 the landlord applied to the rent officer for registration of a fair rent of £96.25 per week for the above property. The rent payable at the time of the application was nil, the tenant being an agricultural worker in tied accommodation. The tenant has now been made redundant. On 17 February 2003 the rent officer registered a fair rent of £84.00 per week with effect from that date. By a letter dated 3 March 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 15 May 2003 and found it to be in fair to poor condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

The following tenant's improvements were noted:

Kitchen units and quarry tiled floor

En suite cloakroom to bedroom

Cladding in utility room

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.

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.

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 a ten mile radius of the property. Having done so it concluded that such a likely market rent would be £600.00 per calendar month.

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 £600.00 per calendar month 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 £205.00 per calendar month calculated as follows:

Disrepair (damp, general neglect)	£150.00
Tenant's obligations	30.00
Carpets and curtains	25.00

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £15.00 per calendar month.

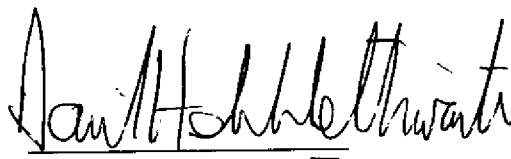
The Committee did not consider that there was any substantial scarcity element *within the area described above* and accordingly no further deduction was made for scarcity. This leaves a net market rent for the subject property of £380.00 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £380.00 per calendar month or £88.00 per week.

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 £88.00 per week will be registered/confirmed as the fair rent with effect from 15 May 2003, being the date of the Committee's decision.

Chairman



Dated

020603

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.