

Rent Assessment Committee: Reasons for decision.

Rent Act 1977

Address of Premises

2 Vale View Cottages
Common Lane
Wincanton
BA9 9RB

The Committee members were

M J Greenleaves Chairman
A J Mellery-Pratt FRICS Valuer

Background

1. On 4th May 2006 the Landlord, Mr G A Bland, applied to the Rent Officer for registration of a fair rent of £226.05 per month for the above property .
2. The rent payable at the time of the application was £205.50 per month
3. The rent was previously registered on 30th May 2003 with effect from the same date at £202.50 per month following a determination by the Rent Officer
4. On 11th August 2006 the Rent Officer registered a fair rent of £232 per month with effect from the same date
5. By a letter dated 15th August 2006 the Tenant, Mrs Boucher, objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

Inspection

6. On 27th October 2006 the Committee inspected in the presence of the Tenant only and found the property to be in fair condition for its age and character.
7. The property is one of four in a rural setting away from any shopping or other facilities. It is served by a common septic tank. It is built of stone under a tiled roof and comprises, on three floors, a living room, kitchen, two bedrooms and bathroom/WC. Parking is available immediately adjacent to the roadway.
8. The electrical wiring is old and some electric fittings are in poor condition. The kitchen and bathroom fittings provided by the Landlord are old and in poor condition. The windows are basic and on the north side poorly fitting. Those on the south side had been replaced about three years ago but are not double-glazed; of those, the two on the ground floor appear to have been installed upside-down. There is some evidence of parts of the property being affected by damp. Access to the second floor is by a very steep staircase with banisters at the top which are insecure and unsafe.
9. There is no central heating, but storage heaters upstairs, fitted by the tenant.
10. As demonstrated to the Committee, when hot water is run in the bathroom a very loud vibration noise is caused.
11. Some roof tiles are missing and the guttering on the north is in poor condition.

12. The property has a large garden and some old outbuildings of which some belong to the Landlord.
13. The following tenant's improvements had been made to the property, namely secondary glazing to the north side windows and the night storage heaters.

Evidence

14. The Committee received a letter dated 15th August 2006 from the tenant and this was copied to the parties. In the letter, the Tenant said she was not happy with the Rent Officer's decision, that she had to pay to have the septic tank emptied (this is about £75 per year); that she had been waiting for months for "someone to do my water tank" (explained by the Tenant on the inspection to relate to the noise problem mentioned above).
15. No written representations were received from the landlord.
16. Neither party requested a hearing at which oral representations could be made.

Consideration

17. 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.
18. 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 market rent comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property)

Valuation

19. 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 the area of Wincanton. Having done so it concluded that such a likely market rent would be £475 per month. The value of the tenant's improvements were disregarded by the Committee in assessing that market rent.

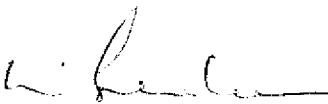
20. However, the actual property is not in the condition considered usual for a modern letting at a market rent. Therefore it was first necessary to adjust that hypothetical rent of £475 per month to allow for the differences between the condition considered usual for such a letting and the condition 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 £38 per week (equal to £164 per month) made up as follows:

	££
Tenant's liability for repairs and decorations	5
No Floor coverings and curtains	7
No White goods	3
Poor Electrics	3
Poor Kitchen	7
No central heating	11
Damp	3
Total	£38 per week or £164 per month

21. The Committee did not make a deduction for the cost of emptying the septic tank as the lack of main drainage would result in a corresponding reduction in water/sewerage rates payable.
22. The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.
23. This leaves a net market rent for the subject property of £311 per month

Decision

24. The fair rent initially determined by the Committee for the purposes of Section 70 was accordingly £311 per month.
25. 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 £232.50 per month. (Details are provided on the back of the decision form)
26. Accordingly the sum of £232.50 per month will be registered as the fair rent with effect from 27th October 2006 being the date of the Committee's decision.

Signed  Chairman

Dated 29th October 2006.
