

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

1ST Floor Flat
199 Coulsdon Road
Caterham
Surrey
CR3 5NU

The Committee members were

Benjamin Mire FRICS(Chairman)

Juliette Playfair

1. Background

The landlord applied to the rent officer for registration of a fair rent of £459 per calendar month for the above property which was received on 31st December 2003.

The rent payable at the time of the application was £353 per calendar month

The rent was previously registered on 15th March 2002 with effect from the same date at £353 per calendar month following a determination by a rent assessment committee.

On 18th February 2004 the rent officer registered a fair rent of £389 per calendar month with effect from 15th March 2004.

By a letter dated 27th February 2004 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 19th April 2004 and found the interior to be in fair condition. However, it was noted that externally much of the pebble dashing was worn and the metal windows no longer operated correctly. The wooden frames in which the windows were fitted were in poor condition. During the war, the premises were subject to bomb damage and a crack in the ceiling of the front bedroom extending over the staircase through to the kitchen was noted.

The Following tenants improvements had been made to the property:-

- Shed
- Replacement kitchen sink and cupboard
- Secondary Glazing
- Gas fire in front bedroom

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 would 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 emphasized

- (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 Caterham. Having done so it concluded that such a likely market rent would be £650 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 £650 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 £200 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 £450 per calendar month.

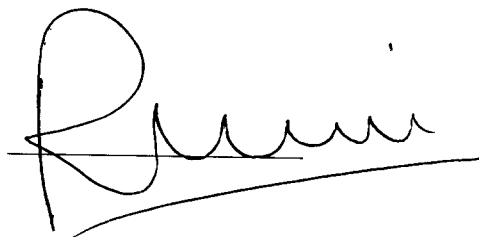
6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £450 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 £389.50 per calendar month.

Accordingly the sum of £ 389.50 per calendar month will be registered the fair rent with effect from 19th April 2004 being the date of the Committee's decision.

Chairman

A handwritten signature in black ink, appearing to be 'R. Min', written over a horizontal line.

Dated

26 APRIL 2024

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.