

Notice of the Rent Assessment Committee Decision

Rent Act 1977 Schedule 11

Address of Premises

2 DUNWORTH MEWS, LONDON, W11 1LE

The Committee members wereMrs A Landau JP LLB
Mr C Norman BSc MRICS
Mrs R Turner JP BA**Landlord**

Area Estates

Tenant

Mr & Mrs L Cain

1. The fair rent is £ 78.50 Per week (excluding water rates and council tax but including any amounts in paras 3&4)

2. The effective date is 21 February 2007

3. The amount for services is £ not applicable Per

4. The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is

£ not applicable Per

5. The rent is not to be registered as variable.

6. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply (please see calculation overleaf).

7. Details (other than rent) where different from Rent Register entry

3 rooms, kitchen and separate WC.
WHB in rear room – Tenant's shower room on ground floor.

8. For information only:

- (a) The fair rent to be registered is the maximum fair rent as prescribed by the Rent Acts (Maximum Fair Rent) Order 1999. The rent that would otherwise have been registered was £ 80.00 per week.

Chairman

A Landau

Date of Decision

21 February 2007

Notice of the Rent Assessment Committee Decision

Rent Act 1977 Schedule 11

Address of Premises

2 DUNWORTH MEWS, LONDON, W11 1LE

The Committee members wereMrs A Landau JP LLB
Mr C Norman BSc MRICS
Mrs R Turner JP BA**Landlord**

Area Estates

Tenant

Mr & Mrs L Cain

1. The fair rent is £ 78.50 Per week (excluding water rates and council tax but including any amounts in paras 3&4)

2. The effective date is 21 February 2007

3. The amount for services is £ not applicable Per

4. The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is

£ not applicable Per

5. The rent is not to be registered as variable.

6. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply (please see calculation overleaf).

7. Details (other than rent) where different from Rent Register entry

3 rooms, kitchen and separate WC.
WHB in rear room – Tenant's shower room on ground floor.

8. For information only:

- (a) The fair rent to be registered is the maximum fair rent as prescribed by the Rent Acts (Maximum Fair Rent) Order 1999. The rent that would otherwise have been registered was £ 80.00 per week.

Chairman

A Landau

Date of Decision

21 February 2007

MAXIMUM FAIR RENT CALCULATION

LATEST RPI FIGURE x 201.6

PREVIOUS RPI FIGURE y 188.6

X 201.6 Minus y 188.6 = (A) 13.0

(A) 13.0 divided by y 188.6 = (B) 0.0689289

First application for re-registration since 1 February 1999 NO

If yes (B) plus 1.075 = (C)

If no (B) plus 1.05 = (C) 1.118929

Last registered rent* 70.00 Multiplied by (C) = 78.33
 *(exclusive of any variable service charge)

Rounded up to nearest 50 pence = 78.50

Variable service charge NO

If YES add amount for services

MAXIMUM FAIR RENT = 78.50 Per Week

Explanatory Note

- The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.
- In summary, the formula provides for the maximum fair rent to be calculated by:
 - increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and
 - adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).

A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B).

The result is rounded up to the nearest 50 pence.
- For the purposes of the calculation the latest RPI figure (x) is that published in the calendar month immediately before the month in which the Committee's fair rent determination was made.
- The process differs where the tenancy agreement contains a variable service charge and the rent is to be registered as variable under section 71(4) of the Rent Act 1977. In such a case the variable service charge is removed before applying the formula. When the amount determined by the application of the formula is ascertained the service charge is then added to that sum in order to produce the maximum fair rent.

MAXIMUM FAIR RENT CALCULATION

LATEST RPI FIGURE x 201.6

PREVIOUS RPI FIGURE y 188.6

X 201.6 Minus y 188.6 = (A) 13.0

(A) 13.0 divided by y 188.6 = (B) 0.0689289

First application for re-registration since 1 February 1999 NO

If yes (B) plus 1.075 = (C)

If no (B) plus 1.05 = (C) 1.118929

Last registered rent*

70.00

Multiplied by (C) = 78.33

*(exclusive of any variable service charge)

Rounded up to nearest 50 pence = 78.50

Variable service charge NO

If YES add amount for services

MAXIMUM FAIR RENT = 78.50

Per

Week

Explanatory Note

- The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.
- In summary, the formula provides for the maximum fair rent to be calculated by:
 - increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and
 - adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).

A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B).

The result is rounded up to the nearest 50 pence.
- For the purposes of the calculation the latest RPI figure (x) is that published in the calendar month immediately before the month in which the Committee's fair rent determination was made.
- The process differs where the tenancy agreement contains a variable service charge and the rent is to be registered as variable under section 71(4) of the Rent Act 1977. In such a case the variable service charge is removed before applying the formula. When the amount determined by the application of the formula is ascertained the service charge is then added to that sum in order to produce the maximum fair rent.

Rent Assessment Committee: Reasons for decision

Rent Act 1977

Address of Premises

2 Dunworth Mews
London
W11 1LE

The Committee members were

Mrs A Landau JP LLB
Mr C Norman BSc MRICS
Mrs R Turner JP BA

1. Background

On 22 August 2006 the landlord applied to the rent officer for registration of a fair rent of £900 per month for the above property.

The rent payable at the time of the application was £70 per week.

The rent was previously registered on 21 October 2004 with effect from the same date at £70 per week following a determination by the rent officer.

On 6 October 2006 the rent officer registered a fair rent of £77.50 per week with effect from 21 October 2006.

By a letter dated 27 October 2006 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 21 February 2007 and found it to be in fair condition externally as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

Converted stable building with rooms on first floor circa 1850. The subject flat on the first floor was accessed from the ground floor entrance via a steep and narrow staircase. The wash hand basin was in the rear bedroom, which had a small skylight only. There was no bathroom. The light to the WC and kitchen was from small skylights only. The tenant had put in the low level WC and also a shower in the converted ground floor under-stairs cupboard.

Dunworth Mews is a cul-de-sac situated immediately east of Portobello Road a few metres south of the junction with Westbourne Park Road.

3. Evidence

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

Neither party requested a hearing at which oral representations could be made.

Rent Assessment Committee: Reasons for decision

Rent Act 1977

Address of Premises

2 Dunworth Mews
London
W11 1LE

The Committee members were

Mrs A Landau JP LLB
Mr C Norman BSc MRICS
Mrs R Turner JP BA

1. Background

On 22 August 2006 the landlord applied to the rent officer for registration of a fair rent of £900 per month for the above property.

The rent payable at the time of the application was £70 per week.

The rent was previously registered on 21 October 2004 with effect from the same date at £70 per week following a determination by the rent officer.

On 6 October 2006 the rent officer registered a fair rent of £77.50 per week with effect from 21 October 2006.

By a letter dated 27 October 2006 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 21 February 2007 and found it to be in fair condition externally as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

Converted stable building with rooms on first floor circa 1850. The subject flat on the first floor was accessed from the ground floor entrance via a steep and narrow staircase. The wash hand basin was in the rear bedroom, which had a small skylight only. There was no bathroom. The light to the WC and kitchen was from small skylights only. The tenant had put in the low level WC and also a shower in the converted ground floor under-stairs cupboard.

Dunworth Mews is a cul-de-sac situated immediately east of Portobello Road a few metres south of the junction with Westbourne Park Road.

3. Evidence

The Committee received written representations from the landlord and the 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. (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 landlord and the Committee's own general knowledge of market rent levels in the area of Ladbroke Grove. Having done so it concluded that such a likely market rent would be £200 per week.

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 £200 per week 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 or any improvement by the tenant). The Committee considered that this required a deduction of £100 per week.

This leaves an adjusted market rent for the subject property of £100 per week.

The Committee found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 20% from the market rent to reflect this element.

6. Decision

The uncapped fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £80 per week.

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 £78.50 per week (Details are provided on the back of the decision form).

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 landlord and the Committee's own general knowledge of market rent levels in the area of Ladbroke Grove. Having done so it concluded that such a likely market rent would be £200 per week.

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 £200 per week 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 or any improvement by the tenant). The Committee considered that this required a deduction of £100 per week.

This leaves an adjusted market rent for the subject property of £100 per week.

The Committee found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 20% from the market rent to reflect this element.

6. Decision

The uncapped fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £80 per week.

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 £78.50 per week (Details are provided on the back of the decision form).

Accordingly the sum of £78.50 per week will be registered as the fair rent with effect from 21 February 2007 being the date of the Committee's decision.

Chairman: A Landau

Dated: 21 February 2007

FR\$UMREAS/2002

Accordingly the sum of £78.50 per week will be registered as the fair rent with effect from 21 February 2007 being the date of the Committee's decision.

Chairman: A Landau

Dated: 21 February 2007

FR\$UMREAS/2002